

Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2008

**CITY OF ROCKY MOUNT,
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2008**

**Prepared by the City of Rocky Mount Finance Office
Amy Staton, Finance Officer**



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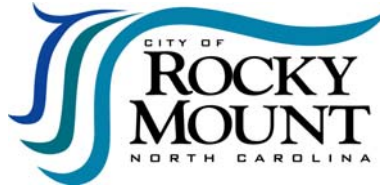
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INTRODUCTORY SECTION

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- Organizational Chart
- List of Principal Officials





October 25, 2008

The Honorable Mayor and
Members of City Council
City of Rocky Mount,
North Carolina

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the City of Rocky Mount, North Carolina (City) for the fiscal year ended June 30, 2008.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City of Rocky Mount, North Carolina, was incorporated on February 19, 1867, and is located in eastern North Carolina in the coastal plains area. The City has a population of approximately 56,364, and straddles the Nash and Edgecombe County line, encompassing 37 square miles. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under the council-manager form of government. The legislative body of the government of the City is comprised of a Mayor and a seven-member City Council. The governing council is responsible, among other things for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments. The Mayor is elected at-large by the Citizens and serves a four-year term, and is the presiding officer of the Council. Members of the City Council serve four-year terms and are elected by the voters of the wards in which they reside. The City is divided into seven wards and a Council member who resides in the ward represents each ward. Elections are held every two years in order that the terms of office are staggered.

The City provides a full range of services including police and fire protection, sanitation, public improvements, planning and zoning, parks and recreational activities, transportation, general administrative services, and the construction and maintenance of highways, streets, and other infrastructure. The City also operates electric, natural gas, water, sewer, and stormwater utilities for the incorporated and surrounding areas.

The annual budget serves as the foundation for the City's financial planning and control. The City has a formal operating budget process, which begins in February of each year. The City Council receives the recommended budget in late May. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City's fiscal year. Legal budgetary control for operating budgets is exercised at the fund (e.g. General) and department (e.g. Police) level. The City Manager may make transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the special approval of the City Council. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year. Budget to actual comparisons are provided in this report for each individual governmental fund and proprietary funds for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 36 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund section of this report, which starts on page 90. Also included in the governmental fund section is project-length budget-to-actual comparisons for each governmental fund for which a project authorization budget has been adopted (i.e. Public Transportation). The proprietary fund budget to actual comparisons begins on page 117.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. Rocky Mount is the principal city of its own designated metropolitan statistical area encompassing Edgecombe and Nash Counties. The City serves as a regional retail center and has developed a mixture of manufacturing, retail, and service industries. Among the area's leading products are pharmaceuticals, diesel engines, bakery products, processed tobacco, key systems, electronic controls, and automotive fuel systems. Rocky Mount is ranked as the 15th largest city in the state of North Carolina. While agricultural production and income in this area of the State will probably continue, the City has experienced a diversification to industrial activities over the last two decades. Manufacturing is the largest segment of Rocky Mount's workforce, followed by retail and services. The Rocky Mount area has a great strategic location with excellent surface transportation networks in all directions of the compass including Highways I-95, US 64, and US 301. Like most cities located on an interstate corridor in the southeastern United States, Rocky Mount has a thriving small business sector.

The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 8.9% as of June 30, 2008 compared to last year's rate of 6.8%. It is expected that Rocky Mount will see employment continue to contract due to the slowdown in the U.S. economy and the mounting credit problems, which will hold back growth in the area's consumer-focused industries and financial services. There are few new growth drivers on the horizon and manufacturing will contract and growth will be concentrated in low-paying and low value-added services.

Other economic investments include the addition of Spongex, LLC, and Eastern Carolina Manufacturing Co., LLC to our surrounding area. Spongex, LLC, a new affiliated division of Nomaco, a manufacturer of a variety of molded, closed-cell foam products including aquatic floats and exercise equipment, swim training accessories, pool and spa cushions, commercial floats and buoys, and other custom-molded products, has selected Tarboro, our neighboring city in Edgecombe County, as their new manufacturing location. The company will be located in an existing 266,000 square feet building, adjacent to Nomaco. Spongex plans to bring 100 new jobs and a \$7 million investment to Edgecombe County within the next three years. In addition, Eastern Carolina Manufacturing Co., LLC has announced the purchase of the bulk barn division of the former Farmtrac operation also located in Tarboro. The company will use the 121,740 square foot facility for their new bulk barn manufacturing operations. The project is estimated to create 50 new jobs and a \$2 million investment over the next two to four years. The company has started production of bulk barns for the upcoming tobacco-harvesting season.

Long-term financial planning. The City is committed to a long term community revitalization program to bring back life and energy to its charming historic downtown community. Within the downtown area, is a historic area known locally as the Douglas Block. The implementation of the redevelopment of the Douglas Block which has a budget of over \$10 million is underway. Funding for the project is being provided by federal grants, a Section 108 loan which will be paid back over 20 years, funding from Historic Tax and New Market Tax credits, in addition to local funds. The City is also working on a streetscape project that includes transportation enhancements and other improvements necessary to revitalize downtown Rocky Mount. The project is budgeted at over \$5.5 million and will utilize funding from a federal grant, Powell Bill matching funds, and general fund revenues.

The City completed Phase I of an annexation plan which was effective on June 30, 2008. As a result of the planned annexation, new staff members were added as part of the current budget to provide services in several areas, including community code, environmental services, and police. In addition, new equipment was purchased to accommodate additional services for the annexed areas. The City will begin the planning and design of a new fire station on the west side of the City. This facility will be constructed in the next five years and will enable the Fire department to provide service with response times in existing and annexed territories at levels comparable with the rest of Rocky Mount. The City is working on the Phase II of the annexation plan which is expected to be effective in December 2009.

Cash management policies and practices. The deposits of the City are made in board-designated official depositories and are collateralized as required by State statute. The City maintains a pooled cash and investment account that is available for use by all funds, except those restricted by statutes or other legal reasons. Cash temporarily idle during the year was invested in the North Carolina Capital Management Trust, an SEC registered mutual fund, and money market funds held at banking institutions. All investments are immediately available. The average yield on all cash and investments was 3.55%. All of the City's investments at June 30, 2008 were classified in the lowest risk category as defined by the Governmental Accounting Standards Board. As of June 30, 2008, the City's cash resources were invested as follows:

Cash on hand	\$ 8,700	.02%
Cash in traditional bank accounts	2,883,903	5.69%
Money Market funds	11,345,181	22.39%
North Carolina Capital Management Trust	<u>36,426,107</u>	71.90%
Total	<u>\$50,663,891</u>	

Risk Management- The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City protects itself from potential loss through the purchase of commercial insurance for primary and/or excess coverage for individual claims exceeding specific amounts. The City retains the risk for claims below the specified amount. In addition to the excess coverage purchased, various risk control techniques are practiced by the City including employee safety programs, drug free workplace program with mandatory drug screening for new employees, pre-employment physicals, and a vehicle accident review board which are implemented to minimize accident-related losses. The City's insurance coverage and self-insured retentions are more fully described in note 10 of the financial statements.

Pension and other postemployment benefits- The City sponsors a single-employer defined benefit pension plan for its sworn law enforcement officers. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to eligible retired employees on a timely basis. The City is required by State statute to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2007 was 23 years.

The State of North Carolina contributes, on behalf on the City, to the Fireman's and Rescue Squad Workers' Pension Fund, which is a cost-sharing multiple-employer defined benefit pension plan. The State funds this plan through appropriations. Plan members, who are eligible fire personnel, are required to contribute \$10 per month. The City has no obligation in connection with employee benefits offered through this plan.

All permanent full-time City employees participate in the statewide North Carolina Local Government Employees' Retirement System, a multiple-employer, cost-sharing defined, benefit pension plan. The State of North Carolina administers the plan. Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate, which is 4.89% for employees not engaged in law enforcement and 4.86% for law enforcement officers.

All full-time employees of the City participate in the Supplemental Retirement Income Plan, a multiple-employer, defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Eligible employees may make voluntary contributions. State statute requires that the City contribute 5% of annual covered salary for all law enforcement officers. The City makes a similar contribution for all other full-time employees equal to 4% of the employees covered salary.

The City provides postemployment health care benefits to retirees of the City who participate in the North Carolina Local Governmental Employees' Retirement System and who meet certain criteria that are more fully described in note 6 of the financial statements. Currently, 193 retirees are eligible for postretirement health benefits. The annual required contribution for the current year was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The City is currently funding the benefit payments on a pay as you go basis. The unfunded actuarial accrued liability is being amortized as level percentage of pay on an open basis. The remaining amortization period at December 31, 2007 was 30 years.

The City also provides death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System, a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. The City's contribution includes coverage for active employees and eligible retirees.

Additional information on the City's pension arrangements and postemployment benefits can be found in note 6 of the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

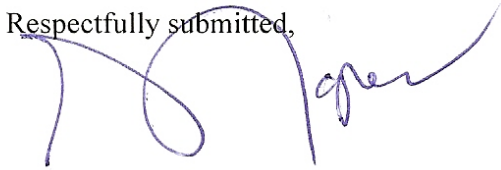
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rocky Mount, North Carolina for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. This was the fourteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement; the City published an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 30, 2007. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide, and a communications device.

The preparation of this report would not have been possible without the assistance and dedication of the staff of the Finance Department. We would like to thank Martin Starnes & Associates, CPAs, P.A., the City's independent auditors, for their assistance in preparing this report. In addition, we wish to express our appreciation to the Mayor and City Council for their continued support and leadership in conducting the financial affairs of the City.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Stephen W. Raper". The signature is fluid and cursive, with a large loop at the beginning.

Stephen W. Raper
City Manager

A handwritten signature in blue ink, appearing to read "Amy G. Staton". The signature is cursive and elegant.

Amy G. Staton
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rocky Mount
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

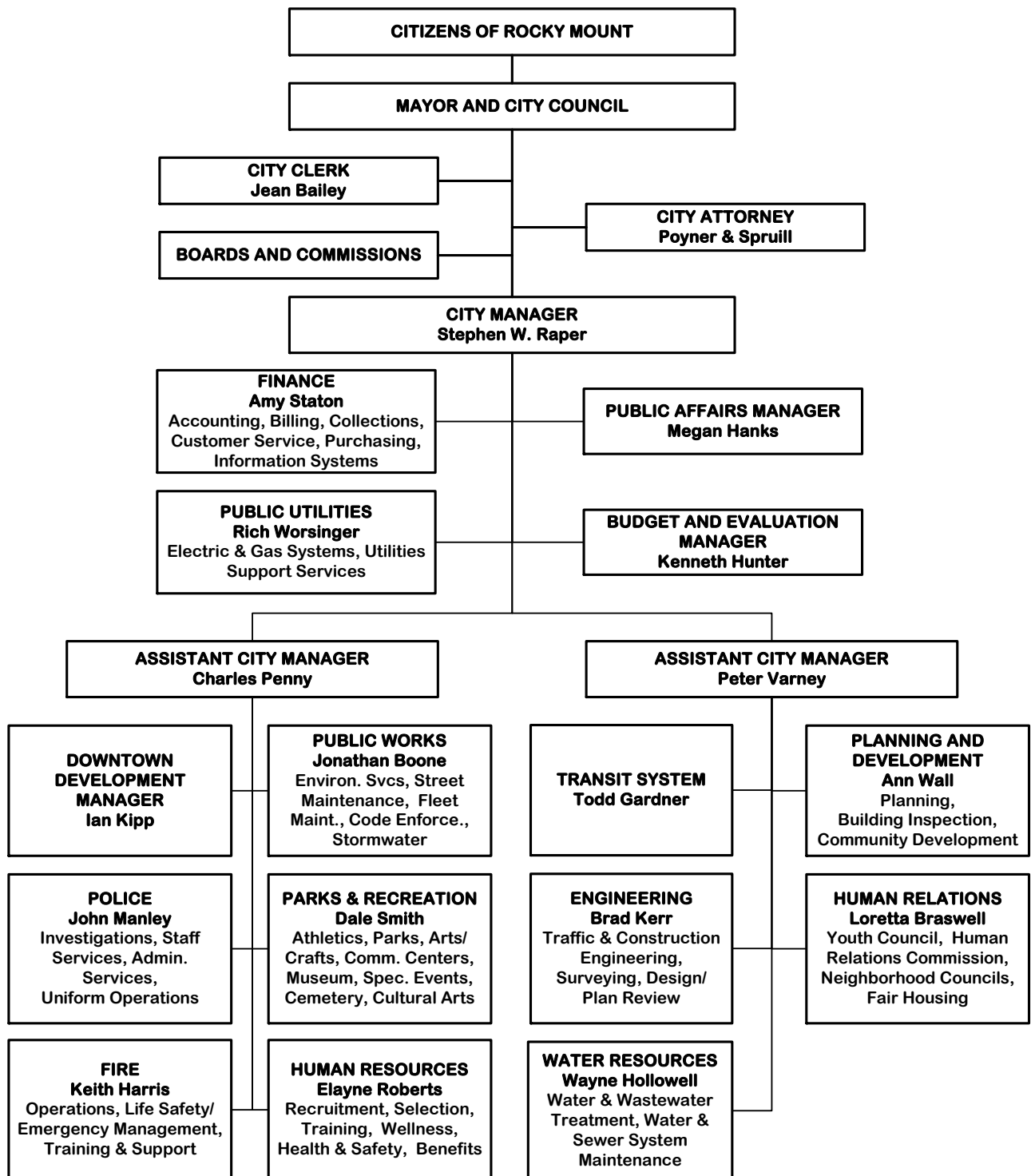
President

Jeffrey R. Emer

Executive Director

Organizational Chart

City of Rocky Mount



CITY OF ROCKY MOUNT, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2008

CITY COUNCIL

David W. Combs, Mayor
Lamont Wiggins, Mayor Pro-tem

Andre D. Knight	Reuben C. Blackwell, IV	Lois Watkins
Tom Rogers	W.B. Bullock	Chris Carroll Miller

CITY ADMINISTRATION

Stephen W. Raper, City Manger
Charles W. Penny, Assistant City Manager
Peter F. Varney, Assistant City Manager



FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplemental Financial Data**
- **Combining and Individual Fund Statements and Schedules**
- **Other Supplemental Schedules**
- **Capital Assets Used in the Operation of Governmental Funds**





Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
City of Rocky Mount, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rocky Mount, North Carolina, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Rocky Mount, North Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Rocky Mount Theatre, LLC. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Rocky Mount Theatre, LLC is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of the City of Rocky Mount Theatre, LLC were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Rocky Mount, North Carolina as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2008 on our consideration of the City of Rocky Mount, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis, employer contributions and the notes to the required Schedule of Funding Progress, Employer Contributions, and Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance and Other Post Employment Benefits are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Rocky Mount, North Carolina. The introductory section, combining and individual fund financial statements and schedules, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

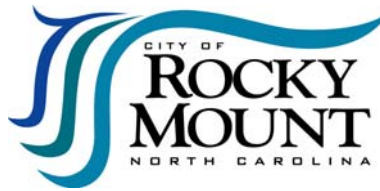
Martin Starnes & Associates CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC

October 25, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS





Management's Discussion and Analysis

As management of the City of Rocky Mount, we offer readers of the City of Rocky Mount's financial statements this narrative overview and analysis of the financial activities of the City of Rocky Mount (the "City") for the fiscal year ended June 30, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative and the transmittal letter which is found in the Introductory section and begins on page 1.

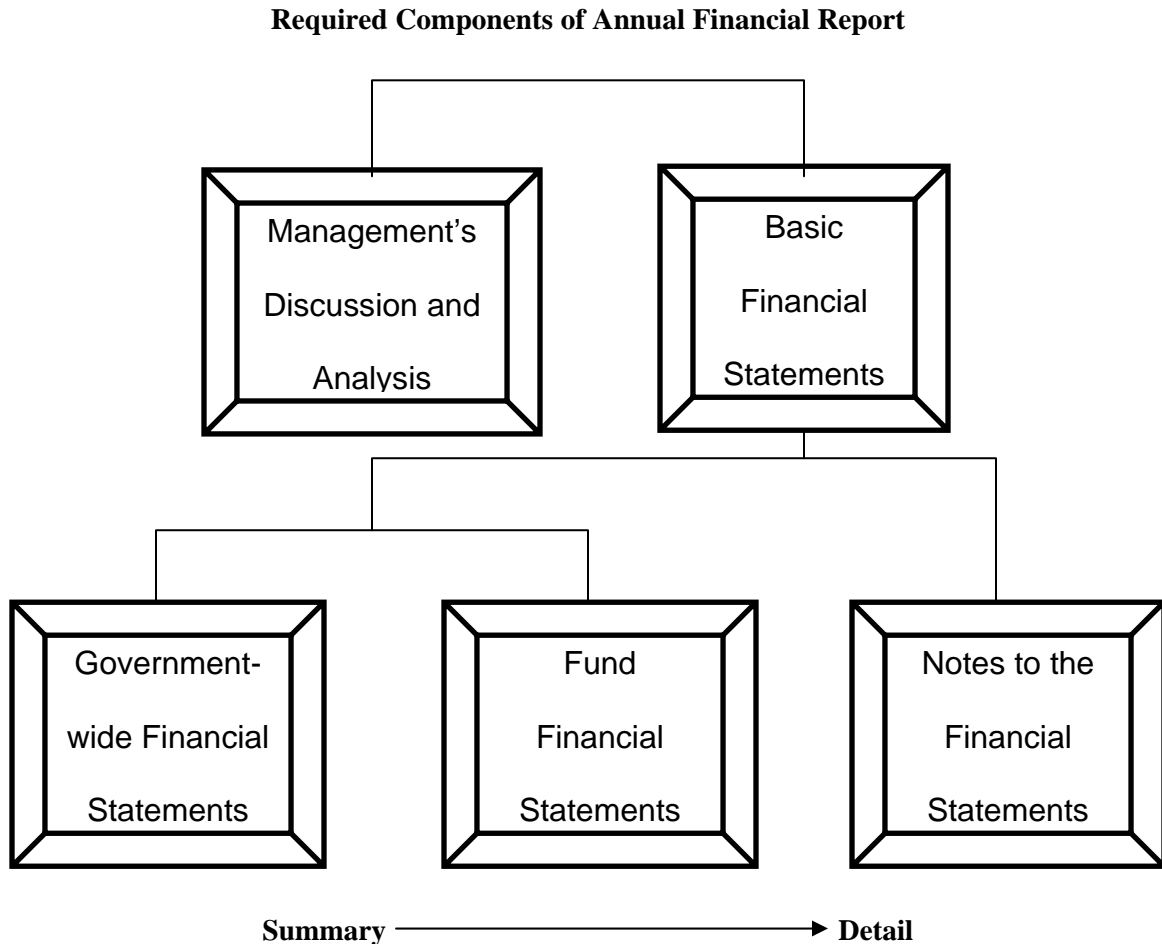
Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$249,069,982. The assets of the governmental activities exceeded liabilities by \$111,347,407 and the assets of the business-type activities exceeded liabilities by \$137,722,575.
- The government's total net assets grew by 5% or an increase of \$10,901,344 primarily due to growth in business-type activities net assets.
- As of the close of the current fiscal year, the City's governmental type funds reported combined ending fund balances of \$29,312,483, an increase of \$2,686,609 from the prior year. Approximately 59.5% of this total amount, or \$17,450,188, is available for spending at the government's discretion (*unreserved & undesignated fund balance*).
- As of the close of the current fiscal year, the City's business-type funds reported combined ending net assets of \$137,722,575, an increase of \$7,238,184.
- At the end of the current fiscal year, total unreserved and undesignated fund balance for the General Fund was \$13,050,426, or 28.4% of total General Fund expenditures for the fiscal year.
- The City maintained its A1 bond rating from Moody's Investors Services, and an A+ from Standard and Poor's Corporation for the 11th consecutive year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City.

Figure 1:



Basic Financial Statements

The first two statements (pages 28 through 31) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (pages 32 through 46) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the fund financial statements: 1) the governmental funds statements; 2) the budgetary comparison statement; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes and required supplemental financial data, **supplemental information** is provided to show details about the City's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements are the *statement of net assets* and the *statement of activities*. Net assets are the difference between the City's total assets and total liabilities. Measuring net assets is one way to gauge the City's financial condition. Over time, increases or decreases in net assets help determine whether the City's financial position is improving or deteriorating. The *statement of activities* presents information which shows how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include the City's basic services which are public safety, public works, public service, parks and recreation, engineering, planning and development, and general administration that are principally supported by taxes and intergovernmental revenues. The business-type activities are those that the City charges user fees to recover all or a significant portion of their costs. These include the electric, gas, water, sewer and stormwater services offered by the City. The final category is the component unit. Although legally separate from the City, the City of Rocky Mount Theatre LLC is important to the City because the City exercises control over the advisory board by appointing members.

The government-wide financial statements are on pages 28 through 31.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like all other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash inflow and outflow, and what monies are left at year-end that will be available for spending in the next year. Such information may be useful in evaluating the City's near-term financing requirements. Governmental funds are reported using an accounting method called modified accrual accounting that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the *statement of net assets* and the *statement of activities*) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statements have been provided to demonstrate how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the City Council; 2) the final budget as amended by the City Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The City maintains five enterprise funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, gas, water, sewer, and stormwater activities. These funds are the same as those functions shown in the business-type activities in the *statement of net assets* and the *statement of activities*. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of City. The City uses an internal service fund to account for one activity – its self-insured health care. The internal service fund has been included within both the governmental and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the electric, gas, water, sewer and stormwater activities. With the exception of the stormwater fund, all other proprietary funds are considered to be major funds of the City.

Agency Funds – Agency funds are used to account for resources held for the benefit of parties outside the government. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for agency funds is much like that used for proprietary funds.

Notes to the Financial Statements and Other Information

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 47 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 86 of this report.

Government-Wide Financial Analysis of the City of Rocky Mount

Net Assets

The following (Figure 2) reflects condensed information on the City's net assets.

Figure 2:

The City of Rocky Mount's Statement of Net Assets

	Governmental Activities 2008	Governmental Activities 2007	Business-Type Activities 2008	Business-Type Activities 2007	Total 2008	Total 2007
Current and other assets	\$ 37,344,755	\$ 34,494,933	\$ 41,561,771	\$ 36,351,895	\$ 78,906,526	\$ 70,846,828
Capital assets	96,796,873	96,686,996	125,278,212	123,955,811	\$ 222,075,085	\$ 220,642,807
Total assets	134,141,628	131,181,929	166,839,983	160,307,706	300,981,611	291,489,635
Long-term liabilities	15,787,704	17,078,243	16,443,644	18,212,883	32,231,348	35,291,126
Other liabilities	7,006,517	6,419,439	12,673,764	11,610,432	19,680,281	18,029,871
Total liabilities	22,794,221	23,497,682	29,117,408	29,823,315	51,911,629	53,320,997
Net assets:						
Invested in capital assets,						
net of related debt	82,173,537	81,922,916	109,732,430	107,764,319	191,905,967	189,687,235
Restricted	2,369,078	1,655,857	-	-	2,369,078	1,655,857
Unrestricted	26,804,792	24,105,474	27,990,145	22,720,072	54,794,937	46,825,546
Total net assets	\$ 111,347,407	\$ 107,684,247	\$ 137,722,575	\$ 130,484,391	\$ 249,069,982	\$ 238,168,638

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the City exceeded liabilities by \$249,069,982 as of June 30, 2008. The City's net assets increased by \$10,901,344 for the fiscal year ended June 30, 2008. The largest portion of net assets (77%) reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City's net assets (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (22%) may be used to meet the government's ongoing obligations to citizens and creditors.

Several particular aspects of the City's financial operations influenced the change in total net assets:

- There are three components of net assets: capital assets, restricted, and unrestricted. There was an increase of \$2,218,732 in the category of net assets for invested in capital assets. The increase in investment in capital assets represents 1% of total current year expenses. Restricted net assets increased by \$713,221 and unrestricted net assets grew by \$7,969,391 compared to the prior year. Since total net assets grew by \$10,901,344 or 6% of total current year expenses, the majority of the increase in net assets growth is due to the growth in restricted related to unexpended Powell Bill funds and growth in unrestricted net assets.
- The total increase in net assets was \$10,901,344 for the year. This was an increase of \$1,543,048 from the prior year. The total increase was influenced by growth in capital grants and contributions of \$1,364,064 or 94% over the prior year. The increase in capital grants and contributions for parks and recreation was \$865,416 which was mostly due to contributions for construction of the Veteran's Memorial Park, plus increases in grant funding for the soccer fields at the Sports Complex. The increase in capital grants and contributions for public service was \$433,922 which was mostly due to the Crossing at 64 project and Downtown Streetscape projects.
- The total increase in net assets of \$10,901,344 was influenced by growth in ad valorem tax revenue of \$530,497 or 3% over the prior year.
- The total increase in net assets of \$10,901,344 was influenced by growth in other taxes revenue of \$1,271,283 or 10.4% over the prior year. This increase was in part due to a \$1,822,966 increase in local options tax revenue compared to the prior year.
- The City diligently continues to collect property taxes. The City's tax collection percentage is 94.57% which is comparable to the statewide average of 97.21% for other municipalities with an electric system and with a similar population. The statewide collection percentage is based on 2007 statewide data and is the most recent published percentage.

Changes in Net Assets

The City's total revenues and expenses for governmental and business-type activities are reflected in Figure 3.
Figure 3:

City of Rocky Mount Changes in Net Assets

	Governmental Activities		Business-type Activities		Total		City of Rocky Mount Theatre, LLC	
	2008	2007	2008	2007	2008	2007	2008	2007
Revenues:								
Program revenues:								
Charges for services	\$ 11,288,277	\$ 12,261,452	\$ 134,065,498	\$ 135,381,606	\$ 145,353,775	\$ 147,643,058	-	-
Operating grants and contributions	5,751,657	7,373,708	-	-	5,751,657	7,373,708	6,581	784,909
Capital grants and contributions	2,813,051	1,448,987	-	-	2,813,051	1,448,987	-	-
General revenues:								
Property taxes	18,188,521	17,658,024	-	-	18,188,521	17,658,024	-	-
Other taxes	13,476,549	12,205,266	-	-	13,476,549	12,205,266	-	-
Other	3,598,593	1,554,069	1,274,137	1,244,435	4,872,730	2,798,504	-	1,557
Total Revenues	55,116,648	52,501,506	135,339,635	136,626,041	190,456,283	189,127,547	6,581	786,466
Expenses:								
General Government	6,637,786	5,828,638	-	-	6,637,786	5,828,638	-	-
Public safety	21,873,680	20,528,191	-	-	21,873,680	20,528,191	-	-
Parks and Recreation	7,844,487	8,241,393	-	-	7,844,487	8,241,393	-	-
Public Works	8,722,496	8,105,415	-	-	8,722,496	8,105,415	-	-
Engineering	1,139,983	984,492	-	-	1,139,983	984,492	-	-
Public Service	5,629,301	4,944,155	-	-	5,629,301	4,944,155	-	-
Emergency Management	-	-	-	-	-	-	-	-
Hazard Mitigation	-	-	-	-	-	-	-	-
Community Revitalization	1,948,078	1,823,575	-	-	1,948,078	1,823,575	-	-
Interest on long-term debt	487,768	460,662	-	-	487,768	460,662	-	-
Electric	-	-	78,733,182	78,320,332	78,733,182	78,320,332	-	-
Gas	-	-	25,544,219	27,016,418	25,544,219	27,016,418	-	-
Water	-	-	8,715,519	8,817,067	8,715,519	8,817,067	-	-
Sewer	-	-	9,367,159	9,658,399	9,367,159	9,658,399	-	-
Storm Water	-	-	2,911,282	2,748,537	2,911,282	2,748,537	-	-
Other	-	-	-	-	-	-	-	-
Component unit	-	-	-	-	-	-	263,362	265,087
Total Expenses	54,283,578	50,916,521	125,271,361	126,560,753	179,554,940	177,477,274	263,362	265,087
Increase in net assets before transfers	833,069	1,584,985	10,068,274	10,065,288	10,901,343	11,650,273	(256,781)	521,379
Transfers	2,830,090	2,212,445	(2,830,090)	(2,212,445)	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-
Increase in Net Assets	3,663,160	3,797,430	7,238,184	7,852,843	10,901,343	11,650,273	(256,781)	521,379
Net Assets, July 1	107,684,247	103,886,817	130,484,391	122,631,548	238,168,638	226,518,365	1,294,526	773,147
Net Assets, June 30	\$111,347,407	\$107,684,247	\$137,722,575	\$130,484,391	\$249,069,982	\$238,168,638	\$1,037,745	\$1,294,526

Governmental activities. Governmental activities increased the City's net assets by \$3,663,160, thereby accounting for 34% of the total growth in the net assets of the City. Key elements of the current year governmental activities change in net assets are as follows:

- Total revenues for governmental activities increased \$2,615,142 (5%) compared to the prior year. As mentioned, revenues for capital grants and contributions increased \$1,364,064 (94%) compared to the prior year. Also, local options tax revenue increased \$1,822,966 compared to the prior year.
- Total expenses for governmental activities increased \$3,367,058 (6%). General government activities increased expenses by \$809,148 (14%). The expanded commitment to community investment established by City Council has resulted in the identification of several projects designed to improve neighborhoods and foster enhanced economic opportunity for distressed local residents. The amount spent on community reinvestment increased 81% compared to the prior year. Also, the expense related to other post employment benefits for governmental activities \$811,373 increased the cost of general government expenses. Public service expenses increased by \$685,146 (14%) as a result of the several construction projects including Crossing at 64 and the Downtown streetscape project. Other increases were reasonable compared to the prior year.

Figure 4:

**City of Rocky Mount
Expenses and Program Revenues-Governmental Activities**

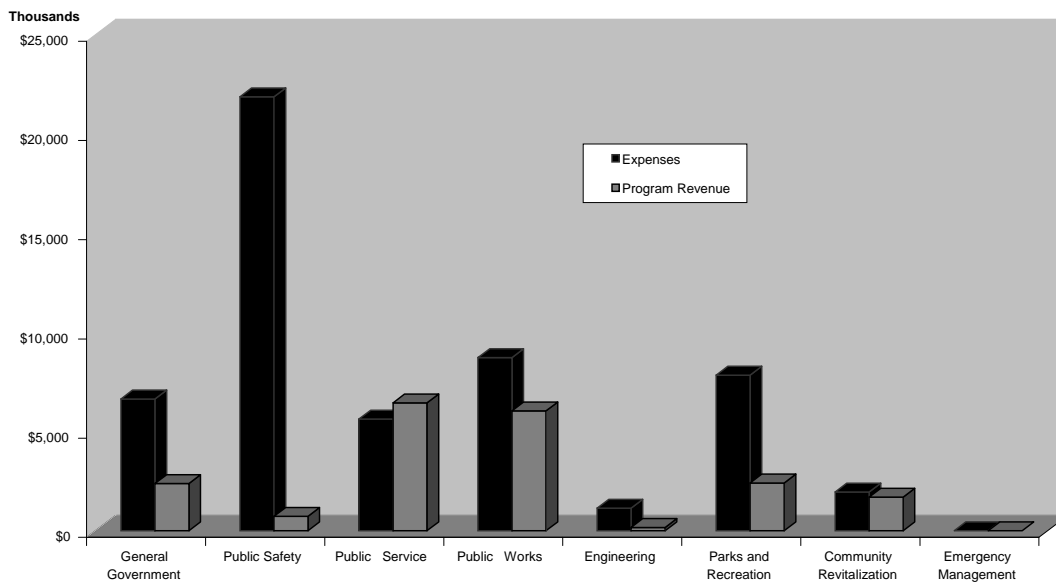
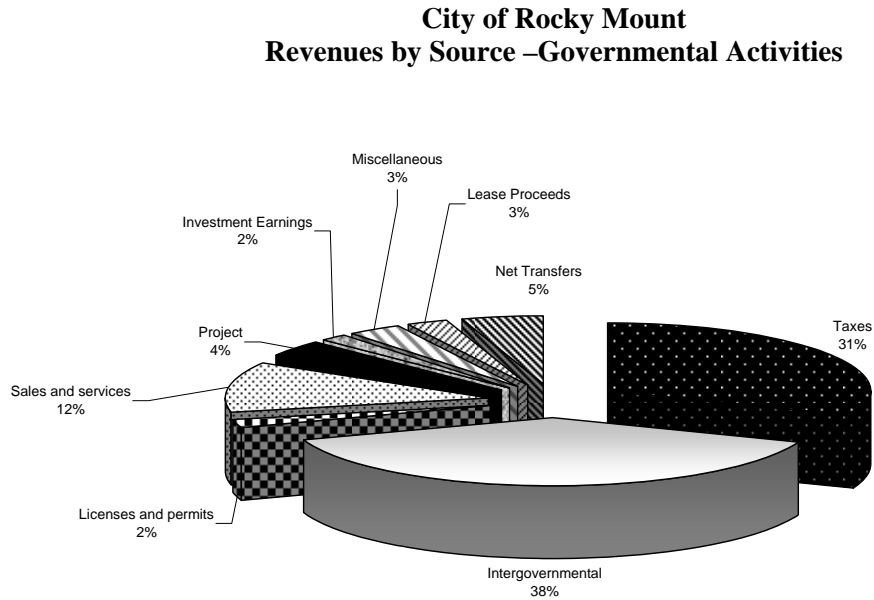


Figure 5:



Business-type activities: Business-type activities increased the City's net assets by \$7,238,184, representing 66% of the growth in the City's total net assets. Key elements of the current year's activities are as follows:

- Total revenues for business-type activities decreased \$1,286,406 (1%) compared to the prior year. Charges for services for business-type activities decreased by a combined \$1,316,108 or 1% over the prior year. Electric revenue increased 0.25%. Natural gas revenue decreased 3.3% over the prior year due to a decrease in market rates for natural gas compared to the prior year, and the City passed that decrease to our gas customers through a purchased gas adjustment. The consumption of natural gas decreased in comparison to prior year. Water revenue decreased 2.3% as a direct result of the severe drought we experienced over the last year. Water rates were increased twice during the year in July 2007 and March 2008 by 2.5% to try to offset the loss from the drought. Sewer revenue decreased 3.4% over the prior year due to the drought. Sewer rates were increased in March 2008 by 5% to offset the effects of the drought. Stormwater revenue increased 0.9%.
- The business-type activities entered into new installment debt financing. The Electric Fund received \$861,000 for new equipment; the Gas Fund received \$173,000 for new equipment; the Sewer Fund received \$254,000 for new equipment; and the Stormwater Fund received \$210,000 for new equipment. The City maintains a revolving loan agreement with the North Carolina Department of Environment and Natural Resources, Division of Water Quality for the replacement and upgrade of equipment at the City's wastewater treatment plant. The amount drawn on this loan for the current year was \$31,702.

- Operating expenses for business-type activities combined decreased by 1% over the prior year. The natural gas operating expenses decreased 5.4% due to decreases in the market cost of natural gas and reduction in consumption. Expenses for water decreased 1.2% mostly due to large capital projects for improvements from prior year being completed. Expenses for sewer decreased 3% mainly due to a reduction in capital expenses. Expenses for stormwater services increased 6% due to an increase in operating costs. Expenses for electric were comparable to the prior year.
- The business-type activities transferred net funds to the General Fund totaling \$2,830,090. This is an increase of \$617,645 compared to the prior year.
- The net change in assets for all business-type activities for the current fiscal year was an increase of \$7,238,184. All business-type operations resulted in net operating income after transfers. The change in net assets for Electric, Gas, Water, Sewer, and Stormwater was \$3,612,859, \$2,193,384, \$644,820, \$595,140, and \$191,981 respectively.
- The net change in assets for business-type activities decreased by \$614,659 compared to the prior year.

Figure 6:

**City of Rocky Mount
Expenses and Program Revenues-Business –type Activities**

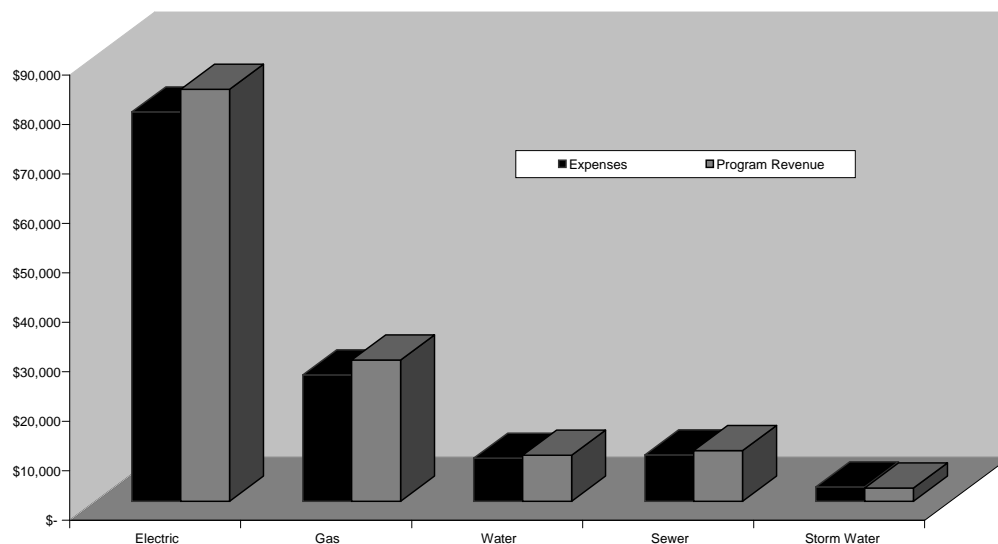
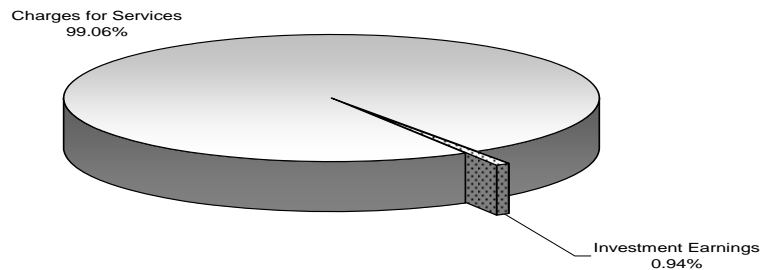


Figure 7:

**City of Rocky Mount
Revenues by Source –Business-type Activities**



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's combined governmental funds reported combined ending fund balances of \$29,312,483, an increase of \$2,686,609 in comparison with the prior year. Of this amount, \$17,450,188 is unreserved fund balance. A portion of the unreserved fund balance is designed for subsequent year's expenditures. The unreserved fund balance that is undesignated is available for spending at the government's discretion. This amount is \$15,334,779 or 52% of the total fund balance. Of the amount of unreserved fund balance, \$1,336,395 is dedicated to special revenue projects and \$947,958 is dedicated to capital projects. The remainder of fund balance is not available for new spending because it has already been committed.

The General Fund is part of the governmental funds and is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$15,165,835, while total General Fund balance was \$26,297,834. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 33% of total General Fund expenditures, while total fund balance represents 57% of that same amount.

At June 30, 2008, the governmental funds of the City reported a combined fund balance of \$29,312,483, a 10% increase over last year. Included in this change in fund balance are increases in fund balance in the General and many of the special revenue funds. Within the special revenue funds, Emergency Telephone System Fund balance decreased due to a transfer to the General Fund as required by Session Law 2007-383, House Bill 1755. Within the capital project funds, General Capital Development Projects Fund balance decreased due to incurring expenses on a project during the year without receiving the revenue during the same period.

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

The actual operating revenues for the General Fund were less than the budget amount by \$548,972. Intergovernmental revenues exceeded the budget by \$357,557 due to underestimating amounts received for franchise tax, telecommunications tax, and local option sales tax. Sales and services were \$879,413 less than budget mainly due to overestimating proceeds of fixed assets, and shortfalls in solid waste and recycling charges, transfer station revenues, and traffic maintenance charges. Investment earnings for the General Fund exceeded the budget by \$50,101 even though returns on investments were lower for the current year. All other General Fund revenues were comparable to the budgeted estimates.

The actual operating expenses for the General Fund were less than the budget amount by \$9,288,116. The most significant savings were realized due to money appropriated to projects that was unspent at fiscal year end. The Finance department has expenditures less than the budget of \$853,555. Of this amount, approximately \$600,000 was allocated for implementation of new software and computer equipment. Of the amount allocated \$581,661 was unspent and re-appropriated to 2009. There were savings in the Human Resources department due to not having to use the \$600,000 budgeted for the provisional pay adjustment to cover salary increases. The Public works department has expenditures less than the budget of \$2,271,858 in part due to approximately \$1,718,000 for unspent capital items within the Public works department. Of the amount allocated \$1,239,651 was re-appropriated to 2009. In addition, there was a reduction in utilization of the transfer station which resulted in approximately \$225,000 in savings on the tonnage fees that were expended for disposal of waste. There were savings within Public service of \$2,358,207 for capital outlay as a result of not spending allocated Powell Bill funds. Of this amount, \$1,828,348 was unspent and was re-appropriated to fiscal year 2009 for Public service.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets at the end of the fiscal year amounted to \$12,537,395 for the Electric Fund, \$7,197,399 for the Gas Fund, \$3,591,195 for the Water Fund, \$2,467,425 for the Sewer Fund, and \$2,196,731 for the Stormwater Fund. The total growth of net assets for each fund was \$3,612,859, \$2,193,384, \$644,820, \$595,140, and \$191,981 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2008, totals \$222,075,085 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, vehicles, and infrastructure for electric, gas, water, sewer and stormwater services.

Major capital asset transactions during the year include the following additions:

Governmental Funds:

Additions

- Soccer field project \$756,843
- Veterans Park \$567,023
- Land acquisition for Douglas Block project \$387,218
- Streets-Roadway Improvement 64 Crossing \$334,212
- Fourteen Police vehicles \$317,726
- Museum Animal Gallery Phase II \$246,176
- Six Transit lift vans \$216,864
- Refurbished Transfer Station \$186,818
- Improvements to sidewalks \$171,983
- Two public works tractors \$113,815

Proprietary Funds:

Additions

- Electric distribution lines-underground & overhead \$951,625
- Electric substation upgrades \$811,993
- Emergency water extension \$657,146
- Electric pole replacement \$374,878
- Gas meters \$209,426
- Electric meters \$206,981
- Water meters \$204,929
- Gas distribution lines \$165,742
- Relining Water pipes \$130,973
- Sewer extension construction-Sunset \$120,189
- Fiber project \$111,925
- Sewer installation-64 Crossing \$108,279
- Construction in progress for Sewer Maple Creek Outfall extension \$108,025
- Construction in progress for Stormwater Gay Branch/Springfield drainage \$104,159

Figure 8:

**City of Rocky Mount's
Capital Assets**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 6,639,019	\$ 6,220,590	\$ 1,018,399	\$ 1,018,399	\$ 7,657,418	\$ 7,238,989
Building	34,139,457	34,632,455	40,961,615	40,383,236	75,101,072	75,015,691
Improvements other than buildings	16,298,004	15,618,299	3,480,886	3,947,301	19,778,890	19,565,600
Machinery and equipment	8,387,946	8,888,058	18,894,936	16,006,078	27,282,882	24,894,136
Infrastructure	31,105,079	31,083,161	-	-	31,105,079	31,083,161
Distribution and collection systems	-	-	60,396,834	57,995,495	60,396,834	57,995,495
Construction in progress	227,368	244,433	525,542	4,605,302	752,910	4,849,735
Total Capital Assets (net of accumulated depreciation)	\$ 96,796,873	\$ 96,686,996	\$ 125,278,212	\$ 123,955,811	\$ 222,075,085	\$ 220,642,807

Additional information on the City's capital assets can be found in note 4 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2008, the City had total bonded debt outstanding of \$3,568,940 (net of deferred amount on refunding). All of the bonded debt is related to Proprietary Fund operations and is considered to be self-supporting. The City's total bonded debt decreased by \$1,829,470 (34%) during the year, due to principal payments on existing bonded debt. No new bonded debt was issued. The City also enters into installment lease financing arrangements which have 3 – 15 year terms for both the governmental and business-type activities. At June 30, 2008, the City had installment leases outstanding of \$22,449,404. The City also has debt outstanding on revolving loans with North Carolina Department of Environment and Natural Resources, Division of Water Quality for business-type activities. This debt has been used to finance the replacement and upgrade of equipment at the City's wastewater treatment plant. As of June 30, 2008, the City had outstanding revolving loans of \$4,255,537.

Figure 9:

**City of Rocky Mount's
Outstanding Debt
General Obligation Bonds, Installment Lease Payable, and Revolving Loans**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ -	\$ -	\$ 3,568,940	\$ 5,398,410	\$ 3,568,940	\$ 5,398,410
Installment lease payable	14,623,336	15,260,314	7,826,068	7,717,567	22,449,404	22,977,881
Revolving Loans			4,255,537	4,253,611	4,255,537	4,253,611
Total	\$ 14,623,336	\$ 15,260,314	\$ 15,650,545	\$ 17,369,588	\$ 30,273,881	\$ 32,629,902

As mentioned in the financial highlights section of this document, the City maintained for the 11th consecutive year, its A1 bond rating from Moody's Investor Service and A+ rating from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of the City and contributes to keeping interest costs low on the City's outstanding debt.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City is \$258,591,737.

Additional information regarding the City's long-term debt can be found in note 11 of this report.

Economic Factors and Next Year's Budgets and Rates

The following are key economic indicators of the City. These factors have been considered when preparing the budget for fiscal year 2009.

- The unemployment rate for the Rocky Mount Metropolitan Statistical Area was 8.9% at June 30, 2008. It is expected that Rocky Mount will see employment continue to contract due to the slowdown in the U.S. economy and the mounting credit problems, which will hold back growth in the area's consumer-focused industries and financial services.
- Inflationary trends in the region compare favorably to national indices.
- Sales tax revenue increased 1.1% over the prior year.

Budget Highlights for the Fiscal Year Ending June 30, 2009

Governmental Activities: The governmental fund's primary revenue resources are property taxes and intergovernmental revenues. For the fiscal year ending June 30, 2009, the budget increased 5.9% over the prior year original budget. The City's budget contains several revenue sources that are dependent on the general economy. Among these are sales taxes, property tax, interest income, and permit fees. We expect the State-shared revenues to continue to show little growth. Powell Bill revenue is expected to grow by 3-4%, utility franchise fees are expected to grow by 2%, beer and wine tax revenue is expected to grow by 2.5%, and the telecommunications tax revenue is expected to increase by 2%. The City expects continued growth of sales tax and an increase of 2% is budgeted. Fees for the City's municipal transfer station were increased an overall 4%. There is a 6% increase for fees for residential solid waste pickup services, but no increase for commercial fees. The budget includes a \$0.03 increase in the ad valorem tax rate from \$0.55 to \$0.58 per \$100 of assessed valuation, which is an increase of 5%. The \$0.03 tax increase enables the City to specifically fund the establishment of a permanent street engagement team to address drug and weapons enforcement and to provide the annual revenue source for community reinvestment.

Budgeted expenditures in the governmental activities also increased 5.9%. The largest increments are in employee compensation, including funding compensation and benefits. The City has allocated funds in order to implement recommendations from the comprehensive compensation study once approved by City Council. There is no increase in health or life insurance premiums. Our employees have taken to heart our efforts to encourage "smart" utilization of their medical coverage, and as result, our claims have been reduced. We are holding 18 vacant positions in the General Fund, which is the same number as the prior year. The budget provides for the addition of 11 new positions in the General Fund. Unavoidable increases occur in communications, utilities, gasoline/diesel fuel, and chemicals. Capital project funding

was limited; however, there is funding to replace ten patrol vehicles in the Police department, as well as the purchase of additional cars to accommodate the street engagement team. Also, the City is providing funds to initiate the planning and design of a new fire station on the west side of the City. This facility will be constructed in the next five years and will enable the Fire Department to provide service with response times in existing and annexed territories at levels comparable with the rest of Rocky Mount. Within the Powell Bill fund, there is continual funding for new construction and repair of sidewalks in addition to street resurfacing.

Business-type Activities: The business-type funds' budget increased 6.4% for the fiscal year ending June 30, 2009. Rate increases were necessary in some funds to cover increased cost of operations. There is no electric or gas rate increases for fiscal year ending June 30, 2009; however, increases are expected if the City's suppliers increase their rates. In fact, electric rates were increased 11.5% in August 2008 directly due to a 14% increase in the cost of purchased power. There is no increase to stormwater rates. In March 2008 water rates increased 2.5% and sewer rates increased 5% response to last year's drought. Other revenue sources for each of these funds include interest income, installment debt financing, and assessments. These revenue sources are not expected to have growth in the next fiscal year.

Budgeted expenses increased 6.4%. The largest increases are in the cost of purchased power, purchased gas, employee compensation and benefits, and project costs associated with extension of line to annexed areas. We are holding 7 positions vacant in the public utilities and water resources funds. This is a decrease of 3 over the prior year. The budget provides for the addition of 5 new positions in public utilities and 5 new positions in stormwater. Capital projects were limited. Funding is provided for distribution system improvements, transmission pole replacement, funds for the continuation of the automated meter-reading project, continuing the cast iron main replacement program, treatment facility improvements, new gas lines and equipment, water and sewer extension projects associated with responding to development and annexation, continued rehabilitation of existing sewer mains, and expansion and improvements to pump stations.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of Rocky Mount, PO Box 1180, Rocky Mount, NC 27802.

BASIC FINANCIAL STATEMENTS

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF NET ASSETS
JUNE 30, 2008**

	Primary Government			City of Rocky Mount Theatre, LLC
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Current Assets:				
Cash and cash equivalents/ investments	\$ 23,656,861	\$ 25,551,065	\$ 49,207,926	\$ 100
Receivables, net of allowance for uncollectible accounts:				
Ad valorem taxes	1,746,162	-	1,746,162	-
Taxes-other	8,471	-	8,471	-
Customers	702,518	12,857,271	13,559,789	-
Other governmental agencies	5,309,163	-	5,309,163	-
Notes receivable	-	15,236	15,236	-
Assessments	1,634,323	296,297	1,930,620	-
Other	2,922,446	184,717	3,107,163	-
Inventories	350,830	2,525,252	2,876,082	-
Restricted cash and investments	1,013,981	104,763	1,118,744	139,451
Total current assets	37,344,755	41,534,601	78,879,356	139,551
Capital Assets:				
Nondepreciable	6,866,388	1,543,941	8,410,329	6,581
Depreciable, net	89,930,485	123,734,271	213,664,756	9,184,742
Total capital assets	96,796,873	125,278,212	222,075,085	9,191,323
Other Noncurrent Assets:				
Other	-	-	-	57,856
Unamortized bond issuance costs	-	27,170	27,170	-
Total other noncurrent assets	-	27,170	27,170	57,856
Total noncurrent assets	96,796,873	125,305,382	222,102,255	9,249,179
Total assets	134,141,628	166,839,983	300,981,611	9,388,730
Liabilities:				
Current Liabilities:				
Current maturities of long-term debt	2,700,157	3,740,209	6,440,366	-
Current compensation absences	1,669,272	426,466	2,095,738	-
Accounts payable and accrued expenses	2,637,088	8,507,089	11,144,177	50,122
Total current liabilities	7,006,517	12,673,764	19,680,281	50,122

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF NET ASSETS
JUNE 30, 2008**

	Primary Government			City of Rocky Mount Theatre, LLC
	Governmental Activities	Business-Type Activities	Total	
Noncurrent Liabilities:				
Deposits	414,439	4,047,043	4,461,482	-
Unearned revenues	417,799	-	417,799	-
Accrued compensation absences	1,610,969	227,933	1,838,902	-
Long-term debt	13,344,497	12,168,668	25,513,165	8,300,863
Total noncurrent liabilities	15,787,704	16,443,644	32,231,348	8,300,863
 Total liabilities	 22,794,221	 29,117,408	 51,911,629	 8,350,985
 Net Assets:				
Invested in capital assets, net of related debt	82,173,537	109,732,430	191,905,967	898,194
Restricted for:				
Streets	2,369,078	-	2,369,078	-
Theatre	-	-	-	139,451
Unrestricted	26,804,792	27,990,145	54,794,937	100
Total net assets	\$ 111,347,407	\$ 137,722,575	\$ 249,069,982	\$ 1,037,745

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 6,637,786	\$ 2,319,466	\$ 58,506	\$ -
Public safety	21,873,680	404,249	323,958	-
Public works	8,722,496	6,027,232	12,401	-
Engineering	1,139,983	14,692	152,681	-
Parks and recreation	7,844,487	924,160	126,351	1,356,142
Public service	5,629,301	1,598,478	3,515,678	1,326,458
Community revitalization	1,948,078	-	1,562,082	130,451
Interest on long-term debt	487,768	-	-	-
Total governmental activities	<u>54,283,578</u>	<u>11,288,277</u>	<u>5,751,657</u>	<u>2,813,051</u>
Business-Type Activities:				
Electric	78,733,182	83,286,304	-	-
Gas	25,544,219	28,547,960	-	-
Water	8,715,519	9,294,113	-	-
Sewer	9,367,159	10,245,779	-	-
Storm water management	2,911,282	2,691,342	-	-
Total business-type activities	<u>125,271,361</u>	<u>134,065,498</u>	<u>-</u>	<u>-</u>
Total primary government	<u>179,554,939</u>	<u>145,353,775</u>	<u>5,751,657</u>	<u>2,813,051</u>
Component Unit:				
City of Rocky Mount Theatre, LLC	263,362	-	6,581	-
Total component unit	<u>\$ 263,362</u>	<u>\$ -</u>	<u>\$ 6,581</u>	<u>\$ -</u>

General Revenues:

Taxes:

Ad valorem
Local option tax
Franchise tax
Telecommunication tax
Miscellaneous
Investment earnings
Gain on sale of assets
Total general revenues

Transfers

Total general revenues and transfers

Change in net assets

Net Assets:

Beginning of year - July 1
End of year - June 30

The accompanying notes are an integral part of the financial statements.

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			City of
Governmental	Business-Type	Total	Rocky Mount
Activities	Activities		Theatre, LLC
<hr/>			
\$ (4,259,814)	\$ -	\$ (4,259,814)	\$ -
(21,145,473)	-	(21,145,473)	-
(2,682,863)	-	(2,682,863)	-
(972,610)	-	(972,610)	-
(5,437,834)	-	(5,437,834)	-
811,313	-	811,313	-
(255,545)	-	(255,545)	-
(487,768)	-	(487,768)	-
<u>(34,430,593)</u>	<u>-</u>	<u>(34,430,593)</u>	<u>-</u>
-	4,553,122	4,553,122	-
-	3,003,741	3,003,741	-
-	578,594	578,594	-
-	878,620	878,620	-
-	(219,940)	(219,940)	-
<u>-</u>	<u>8,794,137</u>	<u>8,794,137</u>	<u>-</u>
<u>(34,430,593)</u>	<u>8,794,137</u>	<u>(25,636,456)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(256,781)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(256,781)</u>
18,188,521	-	18,188,521	-
10,092,744	-	10,092,744	-
2,547,160	-	2,547,160	-
836,645	-	836,645	-
2,562,611	-	2,562,611	-
980,278	1,274,137	2,254,415	-
55,704	-	55,704	-
<u>35,263,663</u>	<u>1,274,137</u>	<u>36,537,800</u>	<u>-</u>
<u>2,830,090</u>	<u>(2,830,090)</u>	<u>-</u>	<u>-</u>
<u>38,093,753</u>	<u>(1,555,953)</u>	<u>36,537,800</u>	<u>-</u>
3,663,160	7,238,184	10,901,344	(256,781)
<u>107,684,247</u>	<u>130,484,391</u>	<u>238,168,638</u>	<u>1,294,526</u>
<u>\$ 111,347,407</u>	<u>\$ 137,722,575</u>	<u>\$ 249,069,982</u>	<u>\$ 1,037,745</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2008

	<u>Major Fund</u> <u>General</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Assets:			
Cash and cash equivalents/investments	\$ 22,058,618	\$ 1,598,243	\$ 23,656,861
Receivables, net of allowance for uncollectible accounts:			
Ad valorem taxes	1,738,992	7,170	1,746,162
Other taxes	8,471	-	8,471
Customers	702,518	-	702,518
Other governmental agencies	2,860,447	2,448,716	5,309,163
Due from other funds	866,538	-	866,538
Other	2,382,018	534,997	2,917,015
Assessments	1,634,323	-	1,634,323
Inventories	350,830	-	350,830
Total assets	<u>\$ 32,602,755</u>	<u>\$ 4,589,126</u>	<u>\$ 37,191,881</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenditures	\$ 1,880,668	\$ 134,155	\$ 2,014,823
Due to other funds	-	866,538	866,538
Deposits	396,890	17,549	414,439
Deferred revenues	4,027,363	556,235	4,583,598
Total liabilities	<u>6,304,921</u>	<u>1,574,477</u>	<u>7,879,398</u>
Fund Balances:			
Reserved for:			
Inventories	350,830	-	350,830
State statute	6,583,743	730,296	7,314,039
Powell Bill	2,369,078	-	2,369,078
Designated for subsequent year's expenditures - Powell Bill	1,828,348	-	1,828,348
Unreserved:			
Designated for subsequent year's expenditures - General Fund	2,115,409	-	2,115,409
Undesignated, reported in:			
General Fund	13,050,426	-	13,050,426
Special revenue	-	1,336,395	1,336,395
Capital projects	-	947,958	947,958
Total fund balances	<u>26,297,834</u>	<u>3,014,649</u>	<u>29,312,483</u>
Total liabilities and fund balances	<u>\$ 32,602,755</u>	<u>\$ 4,589,126</u>	<u>\$ 37,191,881</u>

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2008

Reconciliation of Governmental Funds Balance Sheet to the Statement of Activities:

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Ending fund balance - governmental funds	\$ 29,312,483
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	96,796,873
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	4,165,799
Assets and liabilities of the risk management fund used by management to account for certain insurance costs are included in governmental activities in the Statement of Net Assets.	916,147
Compensated absences not expected to be materially liquidated with expendable available resources	(3,280,241)
Long-term liabilities, principally installment purchases, are not due and payable in the current period and, therefore, are not reported in the funds.	
Long-term debt	<u>(16,563,654)</u>
Net assets of governmental activities	<u>\$ 111,347,407</u>

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Major Fund	Nonmajor	Total
	General	Governmental	Governmental
	Fund	Funds	Funds
Revenues:			
Taxes	\$ 17,851,030	\$ 60,721	\$ 17,911,751
Intergovernmental	17,391,259	5,344,004	22,735,263
Licenses and permits	1,065,569	-	1,065,569
Sales and service	7,088,107	-	7,088,107
Project	-	2,240,943	2,240,943
Investment earnings	924,101	56,177	980,278
Miscellaneous	1,036,895.00	802,171.00	1,839,066.00
Total revenues	<u>45,356,961.00</u>	<u>8,504,016.00</u>	<u>53,860,977.00</u>
Expenditures:			
Current:			
General government	5,443,209	25,000	5,468,209
Public safety	21,227,300	171,428	21,398,728
Public works	8,749,217	-	8,749,217
Engineering	1,139,983	-	1,139,983
Parks and recreation	6,834,700	1,907,827	8,742,527
Public service	549,493	4,896,927	5,446,420
Community revitalization	-	1,948,078	1,948,078
Debt service	2,064,112	671,534	2,735,646
Total expenditures	<u>46,008,014</u>	<u>9,620,794</u>	<u>55,628,808</u>
Revenues over (under) expenditures	<u>(651,053)</u>	<u>(1,116,778)</u>	<u>(1,767,831)</u>
Other Financing Sources (Uses):			
Transfers in	4,645,076	1,588,735	6,233,811
Transfers out	(1,628,095)	(1,737,276)	(3,365,371)
Installment purchases	1,201,000	385,000	1,586,000
Total other financing sources (uses)	<u>4,217,981</u>	<u>236,459</u>	<u>4,454,440</u>
Net change in fund balances	3,566,928	(880,319)	2,686,609
Fund Balance:			
Beginning of year, July 1	22,730,906	3,894,968	26,625,874
End of year, June 30	<u>\$ 26,297,834</u>	<u>\$ 3,014,649</u>	<u>\$ 29,312,483</u>

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D)	\$ 2,686,609
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, the gain/loss on disposal of those assets would also differ between the two statements in an amount equal to the basis of the asset reported on the date of disposal.	
Capital outlay	4,528,713
Depreciation	(4,348,661)
Basis of disposed/transferred capital assets	(70,175)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund.	1,070,848
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(254,336)
The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Other post-employment benefit net obligation	(811,373)
Debt issuance	(1,586,000)
Debt retirement	2,247,878
A portion of the revenue and expenditures reported in risk management fund has been allocated to governmental activities.	<u>199,657</u>
Changes in net assets of governmental activities	<u>\$ 3,663,160</u>

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive/(Negative)
Revenues:				
Taxes	\$ 17,875,000	\$ 17,875,000	\$ 17,851,030	\$ (23,970)
Intergovernmental	16,936,900	17,033,702	17,391,259	357,557
Licenses and permits	1,114,000	1,114,000	1,065,569	(48,431)
Sales and service	7,945,020	7,967,520	7,088,107	(879,413)
Investment earnings	874,000	874,000	924,101	50,101
Miscellaneous	910,000	1,041,711	1,036,895	(4,816)
Total revenues	45,654,920	45,905,933	45,356,961	(548,972)
Expenditures:				
Current:				
General Government				
Mayor and council	1,446,034	1,244,902	746,847	498,055
City clerk	219,042	222,652	206,439	16,213
Community services	517,810	1,732,432	520,812	1,211,620
City manager	560,437	581,137	565,716	15,421
Public affairs	130,729	166,429	136,669	29,760
Downtown development	115,115	139,615	94,874	44,741
Finance	592,929	1,035,459	181,904	853,555
Central services	737,194	754,194	708,692	45,502
Planning and development	1,656,468	1,612,091	1,361,856	250,235
Human resources	1,457,607	1,457,607	711,343	746,264
Human relations	299,036	240,236	208,057	32,179
Total general government	7,732,401	9,186,754	5,443,209	3,743,545
Public Safety:				
Police	12,116,666	12,185,815	11,954,545	231,270
Fire	9,031,079	9,423,079	9,272,755	150,324
Total public safety	21,147,745	21,608,894	21,227,300	381,594
Public Works:				
Administration	200,871	214,347	211,476	2,871
Street and row maintenance	2,138,137	2,080,661	1,579,269	501,392
Housing code enforcement	838,490	923,189	884,449	38,740
Environmental service	7,230,532	7,293,808	5,669,556	1,624,252
Fleet maintenance	449,570	509,070	404,467	104,603
Total public works	10,857,600	11,021,075	8,749,217	2,271,858
Engineering:				
Administration	542,307	523,862	510,859	13,003
Traffic	615,941	670,786	629,124	41,662
Total engineering	1,158,248	1,194,648	1,139,983	54,665

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive/(Negative)
Parks and Recreation:				
Administration	323,778	336,274	310,646	25,628
Athletics	459,706	457,043	439,969	17,074
Cultural arts	687,713	709,532	586,240	123,292
Amusements and special events	123,425	125,388	123,687	1,701
Museum	493,773	493,773	475,729	18,044
Parks maintenance	1,643,054	1,637,404	1,595,861	41,543
Cemetery operations	403,600	383,956	356,769	27,187
Outdoor programs	233,380	235,130	228,751	6,379
Neighborhood programs	547,163	572,720	568,050	4,670
Senior programs	365,012	381,399	370,706	10,693
Sports complex	360,371	382,871	363,865	19,006
Imperial Centre	1,368,331	1,472,027	1,414,427	57,600
Total parks and recreation	7,009,306	7,187,517	6,834,700	352,817
Public service	1,691,000	2,907,700	549,493	2,358,207
Debt service	2,205,250	2,189,542	2,064,112	125,430
Total expenditures	51,801,550	55,296,130	46,008,014	9,288,116
Revenues over (under) expenditures	(6,146,630)	(9,390,197)	(651,053)	8,739,144
Other Financing Sources (Uses):				
Transfers in	3,238,350	4,645,076	4,645,076	-
Transfers out	(694,720)	(1,628,097)	(1,628,095)	2
Installment purchase financing used	2,003,000	2,003,000	1,201,000	(802,000)
Total other financing sources (uses)	4,546,630	5,019,979	4,217,981	(801,998)
Appropriated fund balance	1,600,000	4,370,218	-	(4,370,218)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	3,566,928	\$ 3,566,928
Fund Balance:				
Beginning of year, July 1			22,730,906	
End of year, June 30			<u>\$ 26,297,834</u>	

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF NET ASSETS PROPRIETARY FUNDS

JUNE 30, 2008

	Business-Type Activities			
	Major Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Assets:				
Current Assets:				
Cash and cash equivalents/investments	\$ 9,891,512	\$ 7,893,125	\$ 3,870,305	\$ 1,542,584
Restricted cash and investments	104,763	-	-	-
Assessments	-	-	134,718	161,579
Customers	9,754,654	1,089,943	814,756	1,135,202
Notes receivable	-	-	10,313	4,923
Other	122,383	22,944	4,687	34,703
Inventories	2,277,966	102,167	136,470	8,649
Total current assets	22,151,278	9,108,179	4,971,249	2,887,640
Capital Assets:				
Capital assets, nondepreciable	189,551	8,727	825,641	292,870
Capital assets, depreciable, net of accumulated depreciation and amortization	27,080,392	9,731,699	29,956,048	55,706,364
Total capital assets (net of accumulated depreciation)	27,269,943	9,740,426	30,781,689	55,999,234
Noncurrent Assets:				
Unamortized bond issuance costs	-	-	11,709	15,461
Total noncurrent assets	-	-	11,709	15,461
Total assets	\$ 49,421,221	\$ 18,848,605	\$ 35,764,647	\$ 58,902,335
Liabilities and Net Assets:				
Liabilities:				
Current Liabilities:				
Current maturities of long-term debt	\$ 650,300	\$ 116,643	\$ 1,132,613	\$ 1,598,919
Current accrued compensated absences	162,256	33,394	125,606	64,732
Accounts payable and accrued expenditures	6,898,568	906,186	341,551	309,810
Total current liabilities	7,711,124	1,056,223	1,599,770	1,973,461
Noncurrent Liabilities:				
Deposits	2,263,157	909,064	800,363	7,405
Accrued compensated absences	102,772	33,361	41,876	24,954
Noncurrent portion of long-term debt	1,378,890	205,170	3,173,422	7,151,997
Total noncurrent liabilities	3,744,819	1,147,595	4,015,661	7,184,356
Total liabilities	11,455,943	2,203,818	5,615,431	9,157,817
Net Assets:				
Invested in capital assets, net of related debt	25,427,883	9,447,388	26,558,021	47,277,093
Unrestricted	12,537,395	7,197,399	3,591,195	2,467,425
Total net assets	\$ 37,965,278	\$ 16,644,787	\$ 30,149,216	\$ 49,744,518

The accompanying notes are an integral part of the financial statements.

Exhibit G

		Governmental Activities	
Other Nonmajor Fund		Internal Service Fund	
Storm Water Management		Risk Management	
	Total Business-Type Activities Enterprise		
\$ 2,353,539	\$ 25,551,065	\$ -	
-	104,763	1,013,981	
-	296,297	-	
62,716	12,857,271	-	
-	15,236	-	
-	184,717	5,431	
-	2,525,252	-	
<u>2,416,255</u>	<u>41,534,601</u>	<u>1,019,412</u>	
227,152	1,543,941	-	
<u>1,259,768</u>	<u>123,734,271</u>	<u>-</u>	
<u>1,486,920</u>	<u>125,278,212</u>	<u>-</u>	
-	27,170	-	
-	27,170	-	
<u>\$ 3,903,175</u>	<u>\$ 166,839,983</u>	<u>\$ 1,019,412</u>	
\$ 241,734	\$ 3,740,209	\$ -	
40,478	426,466	\$ -	
<u>50,974</u>	<u>8,507,089</u>	<u>103,265</u>	
<u>333,186</u>	<u>12,673,764</u>	<u>103,265</u>	
67,054	4,047,043	-	
24,970	227,933	-	
<u>259,189</u>	<u>12,168,668</u>	<u>-</u>	
<u>351,213</u>	<u>16,443,644</u>	<u>-</u>	
<u>684,399</u>	<u>29,117,408</u>	<u>103,265</u>	
1,022,045	109,732,430	-	
<u>2,196,731</u>	<u>27,990,145</u>	<u>916,147</u>	
<u>\$ 3,218,776</u>	<u>\$ 137,722,575</u>	<u>\$ 916,147</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities			
	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Operating Revenues:				
Charges for sales and services	\$ 81,823,996	\$ 28,531,480	\$ 9,059,969	\$ 10,114,902
Licenses and permits	-	-	40,597	32,606
Other operating revenues	1,462,308	16,480	193,547	98,271
Total operating revenues	<u>83,286,304</u>	<u>28,547,960</u>	<u>9,294,113</u>	<u>10,245,779</u>
Operating Expenses:				
Distribution systems	72,776,365	25,177,419	-	-
Treatment plants	-	-	5,249,835	5,182,500
Engineering	1,078,331	-	-	-
Support services	585,784	-	2,049,241	2,409,926
Energy services	2,379,921	-	-	-
Storm water operations	-	-	-	-
Insurance claims	-	-	-	-
Cost of service and administration	-	-	-	-
Depreciation and amortization	1,546,769	275,707	1,190,500	1,506,757
Total operating expenses	<u>78,367,170</u>	<u>25,453,126</u>	<u>8,489,576</u>	<u>9,099,183</u>
Operating income (loss)	<u>4,919,134</u>	<u>3,094,834</u>	<u>804,537</u>	<u>1,146,596</u>
Nonoperating Revenues (Expenses):				
Investment earnings	559,737	314,643	185,226	102,610
Interest expense	(44,123)	(5,256)	(204,484)	(267,976)
Appropriation to school system	(321,889)	(85,837)	(21,459)	-
Total nonoperating revenues (expenses)	<u>193,725</u>	<u>223,550</u>	<u>(40,717)</u>	<u>(165,366)</u>
Income (loss) before transfers	<u>5,112,859</u>	<u>3,318,384</u>	<u>763,820</u>	<u>981,230</u>
Transfers in	-	-	356,000	-
Transfers out	(1,500,000)	(1,125,000)	(475,000)	(386,090)
Total transfers	<u>(1,500,000)</u>	<u>(1,125,000)</u>	<u>(119,000)</u>	<u>(386,090)</u>
Change in net assets	3,612,859	2,193,384	644,820	595,140
Net Assets:				
Beginning of year - July 1	34,352,419	14,451,403	29,504,396	49,149,378
End of year - June 30	<u>\$ 37,965,278</u>	<u>\$ 16,644,787</u>	<u>\$ 30,149,216</u>	<u>\$ 49,744,518</u>

The accompanying notes are an integral part of the financial statements.

Exhibit H

		Governmental Activities
Other Nonmajor Fund	Total Business-Type	Internal Service Fund
Storm Water Management	Activities Enterprise	Risk Management
\$ 2,691,342	\$ 132,221,689	\$ 5,161,668
-	73,203	-
-	1,770,606	-
<u>2,691,342</u>	<u>134,065,498</u>	<u>5,161,668</u>
-	97,953,784	-
-	10,432,335	-
-	1,078,331	-
627,716	5,672,667	-
-	2,379,921	-
2,104,601	2,104,601	-
-	-	4,124,611
-	-	837,400
<u>167,125</u>	<u>4,686,858</u>	<u>-</u>
<u>2,899,442</u>	<u>124,308,497</u>	<u>4,962,011</u>
<u>(208,100)</u>	<u>9,757,001</u>	<u>199,657</u>
111,921	1,274,137	-
(11,840)	(533,679)	-
-	(429,185)	-
<u>100,081</u>	<u>311,273</u>	<u>-</u>
<u>(108,019)</u>	<u>10,068,274</u>	<u>199,657</u>
300,000	656,000	-
-	(3,486,090)	(38,350)
<u>300,000</u>	<u>(2,830,090)</u>	<u>(38,350)</u>
191,981	7,238,184	161,307
<u>3,026,795</u>	<u>130,484,391</u>	<u>754,840</u>
<u>\$ 3,218,776</u>	<u>\$ 137,722,575</u>	<u>\$ 916,147</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Cash Flows From Operating Activities:				
Receipts from customers	\$ 83,603,286	\$ 28,496,261	\$ 9,659,795	\$ 10,743,728
Payments to suppliers for goods and services	(73,068,435)	(23,956,514)	(4,503,388)	(5,329,150)
Payments to or on behalf of employees	(3,217,868)	(1,152,027)	(2,809,666)	(2,301,242)
Net cash provided (used) by operating activities	<u>7,316,983</u>	<u>3,387,720</u>	<u>2,346,741</u>	<u>3,113,336</u>
Cash Flows From Noncapital Financing Activities:				
Transfers to other funds - net	(1,500,000)	(1,125,000)	(119,000)	(386,090)
Appropriation to school system	(321,889)	(85,837)	(21,459)	-
Net cash provided (used) by noncapital financing activities	<u>(1,821,889)</u>	<u>(1,210,837)</u>	<u>(140,459)</u>	<u>(386,090)</u>
Cash Flows From Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(1,513,046)	(996,737)	(1,217,379)	(747,936)
Interest paid	(44,123)	(28,824)	(204,484)	(267,976)
Other post employment benefits	82,367	28,775	82,367	28,775
Principal payments on long-term debt	(511,260)	(33,395)	(1,128,821)	(1,366,996)
Net cash provided (used) by capital and related financing activities	<u>(1,986,062)</u>	<u>(1,030,181)</u>	<u>(2,468,317)</u>	<u>(2,354,133)</u>
Cash Flows From Investing Activities interest on investments:				
Investment earnings	<u>559,737</u>	<u>314,643</u>	<u>185,226</u>	<u>102,610</u>
Net cash provided (used) by investing activities	<u>559,737</u>	<u>314,643</u>	<u>185,226</u>	<u>102,610</u>
Net increase in cash and cash equivalents/investments	<u>4,068,769</u>	<u>1,461,345</u>	<u>(76,809)</u>	<u>475,723</u>
Cash and Cash Equivalents/Investments:				
Beginning of year, July 1	<u>5,927,506</u>	<u>6,431,780</u>	<u>3,947,114</u>	<u>1,066,861</u>
End of year, June 30	<u>\$ 9,996,275</u>	<u>\$ 7,893,125</u>	<u>\$ 3,870,305</u>	<u>\$ 1,542,584</u>
Cash and cash equivalents/investments	\$ 9,891,512	\$ 7,893,125	\$ 3,870,305	\$ 1,542,584
Restricted cash and investments	<u>104,763</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,996,275</u>	<u>\$ 7,893,125</u>	<u>\$ 3,870,305</u>	<u>\$ 1,542,584</u>
Supplemental disclosures of noncash investing/financing activities:				
Amortization of bond issuance cost	\$ -	\$ -	\$ 5,855	\$ 7,730
Amortization of deferred refunding, cost	-	-	7,004	30,796
Proceeds from capital lease	861,000	173,000	-	285,702

The accompanying notes are an integral part of the financial statements.

Exhibit I
Page 1 of 2

Other Nonmajor Fund		Governmental Activities	
		Internal Service Fund	Risk Management
Storm Water Management	Total		
\$ 2,667,877	\$ 135,170,947	\$ 5,171,823	
(1,298,846)	(108,156,333)	(4,928,690)	
(1,464,582)	(10,945,385)	-	
(95,551)	16,069,229	243,133	
300,000	(2,830,090)	(38,350)	
-	(429,185)	-	
300,000	(3,259,275)	(38,350)	
(4,457)	(4,479,555)	-	
(11,840)	(557,247)	-	
36,049	258,333	-	
(194,314)	(3,234,786)	-	
(174,562)	(8,013,255)	-	
111,921	1,274,137	-	
111,921	1,274,137	-	
141,808	6,070,836	204,783	
2,211,731	19,584,992	809,198	
\$ 2,353,539	\$ 25,655,828	\$ 1,013,981	
\$ 2,353,539	\$ 25,551,065	\$ -	
-	104,763	1,013,981	
\$ 2,353,539	\$ 25,655,828	\$ 1,013,981	
\$ -	\$ 13,585	\$ -	
-	37,800	-	
210,000	1,529,702	-	

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	Major Enterprise Funds			
	Electric Fund	Gas Fund	Water Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 4,919,134	\$ 3,094,834	\$ 804,537	\$ 1,146,596
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and amortization	1,546,769	275,707	1,190,500	1,506,757
Change in assets and liabilities:				
(Increase) decrease in receivables and assessments	180,982	(108,924)	317,976	499,093
(Increase) decrease in inventories	68,302	(14,882)	(7,734)	(1,531)
Increase (decrease) in accounts payable and accrued expenses	451,748	78,699	(5,916)	(31,552)
Increase (decrease) in deposits	136,000	57,225	47,706	(897)
Increase (decrease) in accrued compensated absences and other accrued liabilities	14,048	5,061	(328)	(5,130)
Net cash provided (used) by operating activities	<u>\$ 7,316,983</u>	<u>\$ 3,387,720</u>	<u>\$ 2,346,741</u>	<u>\$ 3,113,336</u>

The accompanying notes are an integral part of the financial statements.

Exhibit I
Page 2 of 2

Other Nonmajor Fund		Governmental Activities	
		Internal Service Fund	Risk Management
Storm Water Management	Total		
\$ (208,100)	\$ 9,757,001	\$ 199,657	
167,125	4,686,858	-	
(62,716)	826,411	10,155	
-	44,155	-	
(40,097)	452,882	33,321	
39,251	279,285	-	
<u>8,986</u>	<u>22,637</u>	<u>-</u>	
<u>\$ (95,551)</u>	<u>\$ 16,069,229</u>	<u>\$ 243,133</u>	

The accompanying notes are an integral part of the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ <u>337,217</u>
Liabilities:	
Due to other government agency	\$ <u>337,217</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from, or cannot be included in, the financial statements themselves. The notes supplement the financial statements, are an integral part thereof, and are intended to be read in conjunction with the financial statements.



CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

1. Summary of Significant Accounting Policies

The accounting policies of the City of Rocky Mount (the "City") and its discretely presented component unit conform to generally accepted accounting principles in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

Reporting Entity

The City is a municipal corporation, governed by an elected mayor and seven-member council and is located in eastern North Carolina in the coastal plains area. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City. The City was incorporated on February 19, 1867. The City has a population of approximately 56,364 and is situated on the Nash and Edgecombe County line. The City provides a full range of services including public safety, public works, engineering, parks and recreation, public service, emergency management, and community revitalization. The City also operates electric, gas, water, and sewer utilities, as well as a storm water management system, for the incorporated and surrounding areas.

GAAP requires that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

City of Rocky Mount Theatre, LLC

The members of the Theatre's advisory board are appointed by the City. The City of Rocky Mount Theatre, LLC, which has a December 31 year-end, is presented as a component unit. Questions concerning the financial statements of the City of Rocky Mount Theatre, LLC or requests for additional information should be directed to the City Manager's Office, City of Rocky Mount, P. O. Box 1180, Rocky Mount, NC 27802

Basis of Presentation

Government-Wide Statements: The Statement of Net Assets and the Statement of Activities display information about the primary government (the City) and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary fund. Separate statements for each fund category, *governmental*, *proprietary*, and *fiduciary* are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, federal and State grants, and various other taxes and licenses. The primary expenditures are for public safety, transportation, environmental protection, cultural and recreation, and general governmental services.

The City reports the following major enterprise funds:

Electric Fund – This fund accounts for the operations of the City's electric system.

Gas Fund – This fund is used to account for the operation of the City's natural gas distribution system.

Water Fund – This fund accounts for the operations of the City's water system.

Sewer Fund – This fund accounts for the operations of the City's waste water system.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Additionally, the City reports the following fund types:

Internal Service Fund – The City has one internal service fund, its Risk Management Fund, which is used to account for its self-insurance health care benefit.

Agency Funds – These funds are used to account for assets held by the City as an agent for individuals and private organizations. Agency funds are custodial in nature and do not involve the measurement of operating results. The City maintains two agency funds: the Community Development and Governmental Activities Fund and the Business Development Fund.

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-Wide and Proprietary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Revenues of the City's internal service fund are generally premiums charged to its employees for insurance coverage. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, claims, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all general revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Nash and Edgecombe Counties are responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes which were billed during this period are shown as a receivable in these financial statements and offset by deferred revenues

The City reports deferred and unearned revenue on its balance sheet in governmental funds when potential revenue does not meet the “available” criteria for recognition in the current period. Deferred and unearned revenues are reported on both the City’s Statement of Net Assets and its balance sheet in the governmental funds when the City receives resources before it has a legal claim to them. In addition, deferred and unearned revenues are reported on the City’s Statement of Net Assets when receivables are collectible over an extended period of time and their collectability cannot be reasonably estimated or the City anticipates forgiving the debt at some future date.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Intergovernmental revenues, sales and services, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City’s policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

All governmental and business-type activities and enterprise funds of the City follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitations. The City has elected not to follow subsequent private-sector guidance.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Data

In compliance with State statutes, the City Council adopts an annual budget ordinance for all governmental and enterprise funds except funds authorized by project ordinance. The City's Risk Management Fund, which is an intra-governmental service fund, operates under a financial plan. As is required by North Carolina General Statutes, the governing board adopts the plan at the same time the City's budget ordinance is approved.

Appropriations are made at the departmental level and amended as necessary by City Council. The budget information shown in the basic financial statements reports the original and final budget ordinance. The original budget data represents the annual budget ordinance adopted by the City Council for the year ended June 30, 2008. The final budget data represents the budget ordinance as amended by the City Council as of June 30, 2008. Amendments can be made within any one fund by the City Manager. Amendments calling for transfers between two or more funds require the approval of the City Council.

During the year, several amendments to the original budget were necessary. The budget has been restructured in order to conform to the structure of the actual data which is presented in a form to provide the greatest economic meaning to the data. The budget is prepared on the modified accrual basis of accounting as required by State statute. All annual appropriations lapse at each fiscal year-end and must be reappropriated in the following fiscal year's budget. Agency funds are not budgeted. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Funds with Multi-Year Budgets

Certain special revenue funds and capital projects funds are budgeted under project ordinances spanning more than one fiscal year. Project appropriations for these funds continue until the projects are complete. Those funds include the special revenue funds – Entitlement Grants, Emergency Management, Public Transportation Grants, Crime/Safety Control, Economic Development, Occupancy Tax and the Capital Project Funds – General Capital Development Projects, and Imperial Theatre Capital Project.

Funds adopting annual budgets include the General Fund, the proprietary funds, the special revenue funds – Powell Bill Grants and Emergency Telephone System, as well as the capital project fund – General Capital Projects.

Encumbrances

As required by the State statutes, the City maintains encumbrance accounts during the year which are considered to be “budgetary accounts.” Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress and open purchase orders at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. These encumbrances outstanding are reappropriated in the subsequent year’s budget.

Statement of Cash Flows

All cash and investments of the enterprise funds are maintained in cash and investment pools. Funds are available on demand from the pools. Accordingly, all cash and investments are considered cash and cash equivalents in the statement of cash flows.

Cash and Cash Equivalents

The City pools its unrestricted cash resources from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The City of Rocky Mount Theatre, LLC, considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

Interest earned as a result of pooling cash and investments is distributed to the appropriate funds utilizing a formula based on the average monthly balance of cash and investments of each fund.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Assets, Liabilities and Fund Equity

Restricted Investments

The unexpended proceeds from the installment purchase agreements entered into by the City are classified as restricted investments in the respective funds because their use is completely restricted to the purpose for which the agreement was originally intended.

Ad Valorem Taxes Receivable

In accordance with State law [G. S. 105-347 and G. S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1 of the levy year and assessed values as of the same date. The lien of property taxes attaches to all the taxpayer's real estate in the City as of January 1 of the year in which the property is listed and assessed. The lien of property taxes attaches to personal property of the taxpayer only when that property is seized or attached by the tax collector.

Allowances for Doubtful Accounts

Allowances for doubtful accounts are maintained on all types of receivables which historically experience uncollectible accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

Due To/From Other Funds

Amounts reported at June 30, 2008 as due to/from other funds generally represent short-term advances between funds. The amounts reported at year-end are not available for appropriation and are not an expendable available financial resource.

Inventories

Inventories of the General Fund consist primarily of expendable supplies held for consumption and are stated at cost (determined on the weighted-average basis). The costs of General Fund inventories are recorded as expenditures when consumed rather than when purchased and are offset by a fund balance reserve in the balance sheet - governmental funds which indicates that inventories do not constitute a resource available for appropriations.

Inventories of the enterprise funds consist of various items used in the maintenance of existing utility systems and expansion of new systems and are stated at the lower cost or market, cost being determined on the weighted-average basis. These items will be either expensed when consumed in the future as maintenance of existing systems or capitalized as a part of the development of new systems.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Capital Assets

Capital assets which include property, plant, and equipment and infrastructure are reported in the City's government-wide and proprietary fund financial statements. Capital assets of the City generally have an initial, individual cost of more than \$2,500 and an estimated useful life of more than one year. Assets are stated at cost if purchased or constructed. Costs for assets acquired prior to June 30, 1981 were recorded in the capital asset records based on a physical inventory of such assets at that date with assignment of actual cost, where this was available, and estimated historical cost, where actual historical cost could not be determined. Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets transferred to a recipient fund are recorded at the same book value as the transferor fund.

Capital assets are depreciated using the straight-line method over the assets' estimated useful lives. Assets acquired under capital leases are amortized over the assets' estimated useful lives. Capital assets are reported in the City's basic financial statements net of accumulated depreciation and amortization. The estimated useful lives are as follows:

Description	Estimated Useful Lives
Land improvements	25 years
Buildings	50 years
Equipment	2 to 30 years
Infrastructure:	
Streets and curbing	75 years
Distribution system	30 to 75 years

Interest is capitalized on enterprise fund assets acquired with tax-exempt debt. The amount of interest is calculated by offsetting interest earned on invested proceeds with interest expense incurred from the date of the borrowings until completion of the project.

Long-Term Obligations

General obligation bonds are direct obligations and pledge the full faith and credit of the City. Such obligations are generally issued as 25-year serial bonds with equal amounts of principal maturing each year. The City's general obligation bonds, currently outstanding, were issued to finance the acquisition and construction of major capital facilities utilized in the operations of its enterprise funds. It is the intention of the City that those obligations, including both principal and interest, are to be repaid from the earnings of the enterprise funds. Therefore, the bonds are included in the accounts of the appropriate enterprise funds.

The City has acquired equipment under installment purchase agreements. Installment purchase agreements are recorded in the applicable columns of the government-wide and proprietary fund financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

The debt service requirements for long-term debt obligations are appropriated annually in the appropriate fund.

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

The compensated absences policy of the City provides for the accumulation of up to thirty (30) days earned vacation with such leave being fully vested when earned. The amount of accumulated vacation leave and the salary-related payments at year-end are not expected to be materially liquidated with expendable available financial resources and as such are reported as a noncurrent liability. The liability for accumulated vacation leave and the salary-related payments are reported in the City's government-wide and proprietary fund financial statements as an expense and liability of those activities as the benefits accrue to employees. Compensated absences reported in governmental activities are commonly liquidated in the General Fund.

No liability is recognized for accumulated sick leave as the leave is forfeited upon termination. A certain portion of the accumulated sick leave may be used in the determination of length of service for retirement benefit purposes. This involves no obligation of the City and, therefore, no accrual has been made.

Net Assets/Fund Balances

Net assets in the government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

State law (G. S. 159-13 (b) (16)) restricts the appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved:

Reserved by State statute - portion of fund balance, in addition to reserves for encumbrances and inventories, which is not available for appropriation under State law [G.S. 159-8 (a)]. This amount is usually comprised of accounts receivable and interfund receivables which have not been offset by deferred revenues.

Reserved for inventories - portion of fund balance not available for appropriation because it represents the year-end fund balance of ending inventories, which are not expendable, available resources.

Designated for subsequent year's expenditures – Powell Bill – portion of Powell Bill reserve which has been designated for the adopted 2008-2009 budget ordinance.

Reserved for Powell Bill - portion of fund balance that is available for appropriation but legally segregated for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Unreserved:

Designated for subsequent year's expenditures - portion of the total fund balance available for appropriation that has been designated for the adopted 2008-2009 budget ordinance.

Undesignated - portion of total fund balance available for appropriation that is uncommitted at year-end.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Interfund Transfers

Interfund transfers from the enterprise funds to the General Fund are made primarily to reimburse the General Fund for overhead expenses. The principal purpose of transfers between governmental funds is to provide the required local match for certain federal and State grants. In addition, the City may have immaterial transfers between the General Fund and certain of its special revenue funds when grant closures occur.

2. Deposits and Investments

Deposits

All deposits of the City are made in board-designated official depositories and are collateralized as required by State statute. Official depositories may be established with any bank or savings and loan association whose principal office is located in North Carolina. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

All of the City's deposits are made by using the "Pooling Method". Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in the City's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or with the escrow agent. Because of the inability to measure the exact amount of collateral under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2008, the City's deposits had a carrying amount of \$14,229,084 and a bank balance of approximately \$14,854,364. Of the bank balance, \$300,000 was covered by federal depository insurance and \$14,554,364 in interest-bearing deposits was covered by collateral held under the Pooling Method. The carrying amount of the deposits for the City of Rocky Mount Theatre, LLC was \$139,551 and the bank balance was the same.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Investments

State statute authorizes the City to invest in obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of interest and principal of such obligations is fully guaranteed by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust ("NCCMT"), an SEC-registered mutual fund. Investments are stated at fair value.

At June 30, 2008, the City had \$36,426,107 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAm by Standard and Poor's. The City has no policy regarding credit risk.

	<u>Reported Value</u>	<u>Fair Value</u>	<u>Category</u>
North Carolina Capital Management Trust	\$ <u>36,426,107</u>	\$ <u>36,426,107</u>	N/A

Total cash and investments of \$50,663,891 reported by the City includes cash on hand of \$8,700 and \$337,217 held by the City in agency funds.

At June 30, 2008, the City had \$104,763 in escrow accounts because the amount was restricted as to use. The deposits are to be used to purchase equipment under installment purchase agreements. The City had \$1,013,981 restricted for use in the Internal Service Fund.

Interest Rate Risk. As a means of managing its exposure to fair value losses arising from increasing interest rates, the City has a formal investment policy that limits investment maturities to a maximum of 36 months.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

3. Accounts Receivable and Allowances for Doubtful Accounts

Allowance for Doubtful Accounts

The receivables shown in the balance sheet and the Statement of Net Assets at June 30, 2008, are net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>June 30, 2008</u>
Governmental Activities:	
Ad valorem taxes	\$ 960,450
Planning loans	8,712,074
Miscellaneous	250,000
Customers	82,011
Total governmental activities	<u>10,004,535</u>
Business-Type Activities:	
Customers:	
Electric	1,144,608
Gas	607,512
Water	175,000
Sewer	218,048
Other	53,126
Total business-type activities	<u>2,198,294</u>
Total allowances for doubtful accounts	<u>\$ 12,202,829</u>

Accounts Receivable

At June 30, 2008, funds due from other governmental agencies and planning loans consisted of the following:

	<u>General</u>	<u>Governmental</u>	<u>Total</u>
Sales tax refund	\$ 812,090	\$ -	\$ 812,090
Vehicle fee	208,601	-	208,601
Local option tax	1,656,163	-	1,656,163
Grants receivable	43,390	1,787,223	1,830,613
Franchise tax	131,497		131,497
Library receivable	-	654,715	654,715
Miscellaneous receivable	<u>8,706</u>	<u>6,778</u>	<u>15,484</u>
	<u>\$ 2,860,447</u>	<u>\$ 2,448,716</u>	<u>\$ 5,309,163</u>
Planning loans	<u>\$ 1,221,877</u>	<u>\$ 7,490,197</u>	<u>\$ 8,712,074</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

4. Capital Assets

Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2008 was as follows:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2008</u>
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 6,220,590	\$ 423,430	\$ 5,000	\$ -	\$ 6,639,020
Construction in progress	<u>244,433</u>	<u>119,175</u>	<u>25,350</u>	<u>(110,890)</u>	<u>227,368</u>
Total capital assets not being depreciated	<u>6,465,023</u>	<u>542,605</u>	<u>30,350</u>	<u>(110,890)</u>	<u>6,866,388</u>
 Capital Assets Being Depreciated:					
Land improvements	18,205,010	1,349,267	3,860	48,353	19,598,770
Buildings	48,821,520	495,527	3,121	23,676	49,337,602
Equipment	35,754,840	1,526,720	1,890,670	64,320	35,455,210
Infrastructure	<u>40,810,435</u>	<u>599,439</u>	<u>-</u>	<u>-</u>	<u>41,409,874</u>
Total capital assets being depreciated	<u>143,591,805</u>	<u>3,970,953</u>	<u>1,897,651</u>	<u>136,349</u>	<u>145,801,456</u>
 Less Accumulated Depreciation for:					
Land improvements	2,586,712	702,802	3,860	-	3,285,654
Buildings	10,338,792	780,161	3,121	-	11,115,832
Equipment	26,385,087	2,030,975	1,850,845	10,304	26,575,521
Infrastructure	9,727,273	577,522	-	-	10,304,795
Airport	<u>4,331,968</u>	<u>257,201</u>	<u>-</u>	<u>-</u>	<u>4,589,169</u>
Total accumulated depreciation	<u>53,369,832</u>	<u>\$ 4,348,661</u>	<u>\$ 1,857,826</u>	<u>\$ 10,304</u>	<u>55,870,971</u>
 Total capital assets being depreciated, net	<u>90,221,973</u>				<u>89,930,485</u>
 Governmental activities capital assets, net	<u>\$ 96,686,996</u>				<u>\$ 96,796,873</u>

Depreciation was charged to functions/programs of the primary government as follows:

General government	\$ 1,064,979
Public works	1,029,680
Public safety	817,529
Transit	394,250
Planning	47,503
Recreation	<u>994,720</u>
Total	<u>\$ 4,348,661</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Capital asset activity for the business-type activities for the year ended June 30, 2008 was as follows:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2008</u>
Electric Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ 112,441	\$ -	\$ -	\$ -	\$ 112,441
Construction in progress	-	69,916	-	7,194	77,110
Total capital assets not being depreciated	<u>112,441</u>	<u>69,916</u>	<u>-</u>	<u>7,194</u>	<u>189,551</u>
Capital Assets Being Depreciated:					
Land improvements	404,303	-	-	-	404,303
Buildings	7,083,492	811,993	-	-	7,895,485
Equipment	35,746,507	558,925	(7,540,806)	(162,319)	28,602,307
Infrastructure	<u>20,036,006</u>	<u>1,573,718</u>	<u>(31,561)</u>	<u>-</u>	<u>21,578,163</u>
Total capital assets being depreciated	<u>63,270,308</u>	<u>2,944,636</u>	<u>(7,572,367)</u>	<u>(162,319)</u>	<u>58,480,258</u>
Less Accumulated Depreciation:					
Land improvements	164,928	14,524	-	-	179,452
Buildings	4,396,029	146,389	-	-	4,542,418
Equipment	27,537,510	970,089	(6,938,552)	(139,117)	21,429,930
Infrastructure	<u>4,841,615</u>	<u>415,767</u>	<u>(9,316)</u>	<u>-</u>	<u>5,248,066</u>
Total accumulated depreciation	<u>36,940,082</u>	<u>1,546,769</u>	<u>(6,947,868)</u>	<u>(139,117)</u>	<u>31,399,866</u>
Total capital assets being depreciated, net	<u>26,330,226</u>	<u>1,397,867</u>	<u>(624,499)</u>	<u>(23,202)</u>	<u>27,080,392</u>
Electric Fund capital assets, net	<u>\$ 26,442,667</u>	<u>\$ 1,467,783</u>	<u>\$ (624,499)</u>	<u>\$ (16,008)</u>	<u>\$ 27,269,943</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2008</u>
Gas Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ 8,727	\$ -	\$ -	\$ -	\$ 8,727
Total capital assets not being depreciated	<u>8,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,727</u>
Capital Assets Being Depreciated:					
Buildings	270,042	-	-	-	270,042
Equipment	5,978,277	428,552	(170,947)	(9,175)	6,226,707
Infrastructure	<u>6,755,975</u>	<u>741,201</u>	<u>-</u>	<u>-</u>	<u>7,497,176</u>
Total capital assets being depreciated	<u>13,004,294</u>	<u>1,169,753</u>	<u>(170,947)</u>	<u>(9,175)</u>	<u>13,993,925</u>
Less Accumulated Depreciation:					
Buildings	88,721	5,073	-	-	93,794
Equipment	3,341,267	180,773	(170,947)	(9,159)	3,341,934
Infrastructure	<u>736,638</u>	<u>89,860</u>	<u>-</u>	<u>-</u>	<u>826,498</u>
Total accumulated depreciation	<u>4,166,626</u>	<u>275,706</u>	<u>(170,947)</u>	<u>(9,159)</u>	<u>4,262,226</u>
Total capital assets being depreciated, net	<u>8,837,668</u>	<u>894,047</u>	<u>-</u>	<u>(16)</u>	<u>9,731,699</u>
Gas Fund capital assets, net	<u>\$ 8,846,395</u>	<u>\$ 894,047</u>	<u>\$ -</u>	<u>\$ (16)</u>	<u>\$ 9,740,426</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2008</u>
Water Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ 805,580	\$ -	\$ -	\$ -	\$ 805,580
Construction in progress	-	20,061	-	-	20,061
Total capital assets not being depreciated	<u>805,580</u>	<u>20,061</u>	<u>-</u>	<u>-</u>	<u>825,641</u>
Capital Assets Being Depreciated:					
Land improvements	9,095,375	-	-	-	9,095,375
Buildings	12,045,197	-	-	-	12,045,197
Equipment	5,493,607	266,016	(72,660)	49,917	5,736,880
Infrastructure	<u>24,932,750</u>	<u>931,303</u>	<u>-</u>	<u>-</u>	<u>25,864,053</u>
Total capital assets being depreciated	<u>51,566,929</u>	<u>1,197,319</u>	<u>(72,660)</u>	<u>49,917</u>	<u>52,741,505</u>
Less Accumulated Depreciation:					
Land improvements	5,487,287	438,103	-	-	5,925,390
Buildings	4,588,271	241,695	-	-	4,829,966
Equipment	4,542,469	175,704	(72,660)	49,917	4,695,430
Infrastructure	<u>6,999,674</u>	<u>334,997</u>	<u>-</u>	<u>-</u>	<u>7,334,671</u>
Total accumulated depreciation	<u>21,617,701</u>	<u>1,190,499</u>	<u>(72,660)</u>	<u>49,917</u>	<u>22,785,457</u>
Total capital assets being depreciated, net	<u>29,949,228</u>	<u>6,820</u>	<u>-</u>	<u>-</u>	<u>29,956,048</u>
Water Fund capital assets, net	<u>\$ 30,754,808</u>	<u>\$ 26,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,781,689</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2008</u>
Sewer Fund:					
Capital Assets Not Being Depreciated:					
Land	\$ 91,651	\$ -	\$ -	\$ -	\$ 91,651
Construction in progress	<u>4,504,672</u>	<u>201,219</u>	<u>-</u>	<u>(4,504,672)</u>	<u>201,219</u>
Total capital assets not being depreciated	<u>4,596,323</u>	<u>201,219</u>	<u>-</u>	<u>(4,504,672)</u>	<u>292,870</u>
 Capital Assets Being Depreciated:					
Land improvements	2,194,447	-	(14,284)	-	2,180,163
Buildings	42,885,080	75,818	-	776,009	43,736,907
Equipment	16,014,032	397,913	(72,057)	3,807,087	20,146,975
Infrastructure	<u>25,763,656</u>	<u>367,026</u>	<u>-</u>	<u>-</u>	<u>26,130,682</u>
Total capital assets being depreciated	<u>86,857,215</u>	<u>840,757</u>	<u>(86,341)</u>	<u>4,583,096</u>	<u>92,194,727</u>
 Less Accumulated Depreciation:					
Land improvements	2,111,794	4,758	(5,946)	-	2,110,606
Buildings	12,827,554	757,176	-	-	13,584,730
Equipment	12,730,014	401,249	(72,057)	78,424	13,137,630
Infrastructure	<u>7,311,824</u>	<u>343,573</u>	<u>-</u>	<u>-</u>	<u>7,655,397</u>
Total accumulated depreciation	<u>34,981,186</u>	<u>1,506,756</u>	<u>(78,003)</u>	<u>78,424</u>	<u>36,488,363</u>
 Total capital assets being depreciated, net	<u>51,876,029</u>	<u>(665,999)</u>	<u>(8,338)</u>	<u>4,504,672</u>	<u>55,706,364</u>
 Sewer Fund capital assets, net	<u>\$ 56,472,352</u>	<u>\$ (464,780)</u>	<u>\$ (8,338)</u>	<u>\$ -</u>	<u>\$ 55,999,234</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2008</u>
Storm Water Management Fund:					
Capital Assets Not Being Depreciated:					
Construction in progress	\$ 100,630	\$ 126,522	\$ -	\$ -	\$ 227,152
Total capital assets not being depreciated	<u>100,630</u>	<u>126,522</u>	<u>-</u>	<u>-</u>	<u>227,152</u>
Capital Assets Being Depreciated:					
Land improvements	17,300	-	-	-	17,300
Buildings	-	65,000	-	-	65,000
Equipment	2,351,349	22,065	(77,859)	10,500	2,306,055
Infrastructure	<u>413,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,126</u>
Total capital assets being depreciated	<u>2,781,775</u>	<u>87,065</u>	<u>(77,859)</u>	<u>10,500</u>	<u>2,801,481</u>
Less Accumulated Depreciation:					
Land improvements	115	692	-	-	807
Buildings	-	108	-	-	108
Equipment	1,426,434	160,858	(77,859)	9,631	1,519,064
Infrastructure	<u>16,267</u>	<u>5,467</u>	<u>-</u>	<u>-</u>	<u>21,734</u>
Total accumulated depreciation	<u>1,442,816</u>	<u>167,125</u>	<u>(77,859)</u>	<u>9,631</u>	<u>1,541,713</u>
Total capital assets being depreciated, net	<u>1,338,959</u>	<u>(80,060)</u>	<u>-</u>	<u>869</u>	<u>1,259,768</u>
Total Storm Water Management Fund capital assets, net	<u>\$ 1,439,589</u>	<u>\$ 46,462</u>	<u>\$ -</u>	<u>\$ 869</u>	<u>\$ 1,486,920</u>

Discretely Presented Component Unit

Activity for the City of Rocky Mount Theatre, LLC for the year ended December 31, 2007 was as follows:

	<u>December 31, 2006</u>	<u>Increases</u>	<u>Retirements</u>	<u>December 31, 2007</u>
Governmental Activities:				
Capital assets	<u>\$ 9,395,332</u>	<u>\$ 6,581</u>	<u>\$ 210,590</u>	<u>\$ 9,191,323</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2008 were as follows:

	Governmental	Business-Type	
	Activities	Activities	Total
Accounts and vouchers	\$ 490,121	\$ 7,730,362	\$ 8,220,483
Claims incurred but not reported	519,000	324,500	843,500
Accrued payroll and related liabilities	1,627,967	375,977	2,003,944
Customer deposits	414,439	4,047,043	4,461,482
Accrued interest payable	-	76,250	76,250
	<hr/>	<hr/>	<hr/>
Total accounts payable and accrued liabilities	\$ 3,051,527	\$ 12,554,132	\$ 15,605,659

6. Pension Plan Obligations

Local Government Employees' Retirement System

Plan Description. The City contributes to the statewide Local Governmental Employees' Retirement System ("LGERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute 6% of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.89% and 4.86%, respectively, of annual covered payroll. The contribution requirements of members and of the City are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2008, 2007 and 2006 were \$1,735,789, \$1,666,302, and \$1,611,437 respectively.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Law Enforcement Officers Special Separation Allowance

Plan Description. The City administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G. S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A stand-alone financial report is not issued for this plan.

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2007, the Separation Allowance's membership consisted of:

Retirees receiving benefits	18
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	142
Total	160

Basis of Accounting. The City has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Contributions. The City is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the fiscal year ended June 30, 2008 was determined as part of the December 31, 2006 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return and (b) projected salary increases of 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-employment benefit increases. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006 was 24 years.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Annual Pension Cost and Net Pension Obligation. The City's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:.

Annual required contribution	\$ 245,051
Interest on net pension obligation	43,741
Adjustment to annual required contribution	<u>(37,073)</u>
Annual pension cost	251,719
Contributions made	<u>262,099</u>
Increase in net pension obligation	(10,380)
Net pension obligation, beginning of year	<u>603,325</u>
Net pension obligation, end of year	<u><u>\$ 592,945</u></u>

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of of APC Contributed	Net Pension Obligation
6/30/2006	\$ 236,507	91.05%	\$ 614,232
6/30/2007	234,714	104.65%	603,325
6/30/2008	251,719	104.12%	592,945

Funded Status and Funding Progress. As of December 31, 2006, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial liability for benefits was \$2,748,305, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,748,305.

The covered payroll (annual payroll of active employees covered by the plan) was \$6,181,307 and the ratio of the UAAL to the covered payroll was 44.46 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Supplemental Retirement Income Plan

Plan Description. All full-time employees of the City participate in the Supplemental Retirement Income Plan, a multiple-employer, defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Participation begins at the date of employment for law enforcement officers, all other employees have a one year waiting period before participation. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All amounts contributed are vested immediately. Also, all employees may make voluntary contributions to the plan. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. Article 12E of G. S. Chapter 143 requires the City to contribute each month an amount equal to 5% of covered payroll for law enforcement officers. The City makes a similar contribution for all other full-time employees equal to 4% of the employees' salary.

The City's contributions were calculated using a covered payroll amount of \$6,332,660 for employees engaged in law enforcement and \$26,166,275 for all other full-time employees. Total contributions for the year ended June 30, 2008 were \$1,363,284, which consisted of \$316,633 for employees engaged in law enforcement and \$1,046,651 for all other employees. Voluntary contributions made by all City employees totaled \$724,821.

Fireman's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the City, to the Firemen's and Rescue Squad Workers' Pension Fund ("Fund"), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the Fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Firemen's and Rescue Squad Worker's Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly. The City has recognized as revenue and an expenditure \$15,210 in payments made to the Fund by the State on behalf of the City for the year ended June 30, 2008.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Other Post-Employment Benefits

Plan Description. The City (by local ordinance) provides post-employment health care benefits to retirees of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System (LGERS) and meet the following criteria. The retiree must have at least five years of creditable service with the City and the retirement must be due to a medical condition, which is subject to review by the North Carolina Medical Review Board. In addition, the City pays the full cost of coverage for these benefits for retirees with a minimum of thirty years of creditable service with the City. Retirees who do not meet the aforementioned criteria have the option to purchase basic medical insurance for themselves and their dependents through the City for eighteen months. The entire cost of this insurance is borne by the retirees. The City maintains health care coverage through a combination of self-insurance and private insurers (see Risk Management Note).

Membership of the post employment health benefit plan consisted of the following at December 31, 2007, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	193
Active members	813
	<u>1,006</u>

Funding Policy. The City agrees to provide medical insurance to certain retired employees as an extended benefit. Eligible retirees who elect this coverage will be enrolled in the group health plan. For members that retire with at least 30 years of service or that retire with approved disability retirement, the City pays 100% of the cost for pre-65 health care coverage for the retire. Years of service are considered years of creditable service with the Local Governmental Employees' Retirement System. Retirees will cease to be eligible for group health insurance at age 65. The retiree will be responsible for paying the cost of dependent coverage if dependent coverage is elected.

The current annual required contribution rate (ARC) is 7.9% of annual covered payroll. For fiscal year 2008, the City contributed \$1,462,306, or 4.5% of annual covered payroll. Contributions by employees for the fiscal year ended June 30, 2008 were \$0. The City's obligation to contribute to the post-retirement benefit plan is established and may be amended by the City Council.

Summary of Significant Accounting Policies

Benefit expenditures are made from the proprietary funds, which are reported on the full accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the post-retirement benefits:

Annual required contribution	\$ 2,532,013
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	2,532,013
Contributions made	1,462,306
Increase (decrease) in net OPEB obligation	1,069,707
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ 1,069,707</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

For Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
2008	\$ <u>2,532,013</u>	57.75%	\$ <u>1,069,707</u>

As of December 31, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$31,660,867. The covered payroll (annual payroll of active employees covered by the plan) was \$32,250,543, and the ratio of the UAAL to the covered payroll was 98.2%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

The annual required contribution for the current year was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 4.00% investment rate of return, which included an inflation component of 3.75% and (b) a 11.00% - 5.00% medical cost trend rate with 2016 the year of ultimate trend rate. The actuarial value of assets was determined using the market value of assets. The unfunded actuarial accrued liability is being amortized as level percentage of pay on an open basis. The remaining amortization period at December 31, 2007 was 30 years.

Other Employment Benefits

The City has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (the "Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the Death Benefit Plan, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the Death Benefit Plan at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payrolls, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. For the fiscal year ended June 30, 2008, the City made contributions to the State for death benefits of \$35,221. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.09% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

The City also provides a 457 plan to a limited number of employees.

The City contributed a total of \$1,363,284 to the plans for the year ended June 30, 2008.

7. Operating Leases

The City has various operating leases. Rent and lease expense charged to operations for all operating leases totaled \$996,826 for the year ended June 30, 2008. The City leases computer equipment and property under non-cancelable operating leases. The future minimum lease payments under these agreements are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2009	\$ 932,056
2010	893,680
2011	850,000
2012	850,000
2013	850,000
2014-2018	4,250,000
2019-2023	4,250,000
2024	850,000
	<u>\$ 13,725,736</u>

8. Deferred/Unearned Revenues

The balance in deferred revenues in the governmental fund financial statements and unearned revenues in the government-wide financial at year-end is composed of the following elements:

	<u>Deferred Revenues</u>	<u>Unearned Revenues</u>
Taxes receivable (General Fund)	\$ 1,738,990	\$ -
Accounts receivable (General Fund)	270,037	-
Assesments (General Fund)	1,600,537	-
Accounts receivable (other governmental funds)	556,235	-
Prepaid items (General Fund)	417,799	417,799
Total	<u>\$ 4,583,598</u>	<u>\$ 417,799</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

9. Commitments

Construction

The City had outstanding commitments at June 30, 2008 of approximately \$103,535 for the police department renovations, \$51,268 for street lighting professional services, \$103,217 for water & sewer improvements, and \$193,974 for substation upgrades. A portion of these improvements are being financed with installment notes.

Purchases

The City participates in the North Carolina Eastern Municipal Power Agency ("Agency"). Under the contracts executed by the City with the Agency, the Agency became the "all requirements" power supplier to the City. The City is obligated to pay for this power at rates set by the Agency and to set rates at a level such that sufficient electrical revenue is generated to meet obligations to the Agency. The Agency furnishes power to the City by purchasing an undivided interest in some of Progress Energy's generating capacity and by contracting with Progress Energy to furnish all of the Agency's requirements. Under the terms of the agreement with the Agency, the City is obligated to pay a proportionate share of the Agency's obligation to Progress Energy for the purpose of generating capacity whether or not the generator produces power. This is commonly referred to as a "take or pay" contract in the electric industry.

10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City protects itself from potential loss through a combination of purchases of commercial insurance for primary and/or excess coverage and self-insured retention.

The City is self-insured for workers' compensation benefits, employers' liability, general liability, public officials/errors and omissions liability, law enforcement liability, direct damage, sexual misconduct and City vehicle damage. The Workers' Compensation Plan is administered by the City's Human Resources Department with assistance from a risk management consultant. Property insurance claims are administered by a third party administrator with the exception of claims below \$10,000 which are handled by the City. All bodily injury claims are administered by a third party administrator. The City has purchased insurance to cover individual claims exceeding the following amounts:

<u>Line of Coverage</u>	<u>City's Net Retention</u>
Workers' compensation and employers' liability	\$ 500,000
Property damage	100,000
General liability	50,000
Public officials/errors and omissions liability, law enforcement liability, and flood and earthquake	100,000
Auto liability and physical damage	25,000

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

In addition, the City maintains insurance coverage for excess direct damage and umbrella liability. The City has not had a significant reduction in insurance coverage as compared to prior year coverage for any categories of risk. Also, the City has not had any settlements exceeding insurance coverage for any of the past three fiscal years.

The City carries flood insurance subject to a limit of \$500,000 per building and \$500,000 for contents.

The City currently reports its risk management activities and insurance costs in the operating funds to which such expenses apply. Claims expenditures falling within the retention coverage's are generally reported when amounts are paid or, in the event of significant losses, when such amounts are probable and the amounts can be determined. The City has recorded an accrual totaling \$843,500 for estimated claims which will be covered under self-insurance retention. The portion of the estimated liability relating to workers' compensation benefits is \$843,500.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000, and tax collector is bonded for \$50,000.

Changes in the reported liability for possible claims and judgments during fiscal years 2008 and 2007 are summarized as follows:

Possible Claims and Judgments	2008	2007
Balance, beginning	\$ 680,089	\$ 309,643
Current year claims and changes in estimates	887,786	802,442
Claim payments	<u>(724,375)</u>	<u>(431,996)</u>
Balance, ending	<u>\$ 843,500</u>	<u>\$ 680,089</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

11. Long Term Obligations

Long-term debt obligations of the City at June 30, 2008 consist of the following:

Long Term Debt:

	Serviced By	
	Governmental Activities	Business-Type Activities
General Obligation Bonds:		
Refunding series; issued in 1998; due in annual installments of \$1,585,000 to \$2,060,000; maturing through 2010; interest at at 4.25% to 5.0 %	\$ -	\$ 3,660,000
Deferred amount on refunding	-	(91,060)
Total general obligation bonds	-	3,568,940
Installment Purchases:		
Building; due in monthly installments of \$85,989; maturing June 19; interest at 4.16%	9,095,294	-
Library; due in monthly installments of \$51,342 plus interest; maturing May 2010; interest at 3.66%	1,180,858	-
Equipment; due in monthly installments of \$51,056; plus interest; maturing June 2011 interest at 2.19%	1,026,000	812,000
Equipment; due in monthly installments of \$21,119; plus interest; maturing May 2013, interest at 2.44%	560,000	686,000
Equipment; due in monthly installments of \$21,019; maturing May 2010; interest at 3.06%	217,462	139,397
Equipment; due in monthly installments of \$68,663; maturing June 2015; interest at 3.21%	293,153	4,867,332
Equipment; due in monthly installments of \$29,707; maturing June 2009; interest at 3.75%	250,728	98,579
Equipment; due in monthly installments of \$26,337; maturing May 2011; interest at 3.78%	-	871,463
Equipment; due in monthly installments of \$45,405; maturing June 2010; interest at 3.48%	699,841	351,297

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Long-Term Debt (Continued):

	Serviced by	
	Governmental Activities	Business-Type Activities
Building; due in semi-annual installments of \$100,000; maturing maturing April 2017	1,300,000	-
Total installment purchases	14,623,336	7,826,068
Other Long-Term Debt:		
Unfunded Special Separation Allowance	592,945	-
Other	17,000	4,255,537
Other post-employment benefits	811,373	258,334
Total other long-term debt	1,421,318	4,513,871
Total outstanding	16,044,654	15,908,879
Less current portion	2,700,157	3,740,209
	<u>\$ 13,344,497</u>	<u>\$ 12,168,670</u>

Long-term debt categorized as “other” consists of various obligations due to the North Carolina Department of Transportation for reimbursement of road improvement and construction which are typically liquidated by the General Fund. Long-term debt categorized as “other” in the business-type activities includes two federal revolving loans.

Revolving loan due in annual payments of \$29,776; maturing May 1, 2025; interest at 2.205%	\$ 506,199
--	------------

Revolving loan due in annual payments of \$187,467; maturing March 1, 2028; interest at 2.305%	3,749,338
	<u>\$ 4,255,537</u>

The unfunded special separation allowance and compensated absences are typically liquidated by the General Fund.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Changes in Long-Term Debt

The following is a summary of changes in the City's long-term debt for the year ended June 30, 2008:

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Installment purchases	\$ 15,260,314	\$ 1,586,000	\$ 2,222,978	\$ 14,623,336	\$ 2,683,157
Unfunded Special					
Separation Allowance	603,325	251,719	262,099	592,945	-
Other	24,900	17,000	24,900	17,000	17,000
Other post-employment benefits	-	1,920,532	1,109,159	811,373	-
Compensated absences	3,006,804	1,942,709	1,669,272	3,280,241	1,669,272
Total	<u>\$ 18,895,343</u>	<u>\$ 5,717,960</u>	<u>\$ 5,288,408</u>	<u>\$ 19,324,895</u>	<u>\$ 4,369,429</u>
Business-Type Activities:					
General obligation bonds	\$ 5,398,410	\$ -	\$ 1,829,470	\$ 3,568,940	\$ 1,799,470
Installment purchases	7,717,567	1,498,000	1,389,499	7,826,068	1,723,496
Other	4,253,611	31,702	29,776	4,255,537	217,243
Other post-employment benefits	-	611,481	353,147	258,334	-
Compensated absences	631,761	449,103	426,466	654,398	426,466
Total	<u>\$ 18,001,349</u>	<u>\$ 2,590,286</u>	<u>\$ 4,028,358</u>	<u>\$ 16,563,277</u>	<u>\$ 4,166,675</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Maturities of Long-Term Debt

The annual requirements to retire all debt outstanding, other than the accrual for possible claims and judgments, unfunded special separation allowance and other long-term debt at June 30, 2008, including interest, are as follows:

	<u>Bond Obligation</u>		<u>Installment Purchases</u>		<u>Other</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Governmental Activities:						
2009	\$ -	\$ -	\$ 2,683,157	\$ 467,840	\$ 17,000	\$ -
2010	-	-	2,415,111	436,052	-	-
2011	-	-	1,420,147	325,325	-	-
2012	-	-	1,110,156	286,481	-	-
2013	-	-	1,034,017	250,349	-	-
2014-2018	-	-	4,952,258	700,720	-	-
2019	-	-	1,008,488	23,381	-	-
Total governmental activities	-	-	14,623,334	2,490,149	17,000	-
Business-Type Activities:						
2009	1,845,000	183,000	1,723,496	222,305	217,243	105,516
2010	1,815,000	90,750	1,554,152	169,229	217,243	92,606
2011	-	-	1,366,374	122,248	217,243	87,629
2012	-	-	833,290	88,344	217,243	82,651
2013	-	-	844,263	62,339	217,243	77,673
2014-2018	-	-	1,504,493	49,793	1,086,217	313,701
2019-2023	-	-	-	-	1,086,217	189,259
2024-2028	-	-	-	-	996,888	66,786
Total business-type activities	3,660,000	273,750	7,826,068	714,260	4,255,537	1,015,821
Less refunding	(91,060)	-	-	-	-	-
Total	<u>\$ 3,568,940</u>	<u>\$ 273,750</u>	<u>\$ 22,449,402</u>	<u>\$ 3,204,409</u>	<u>\$ 4,272,537</u>	<u>\$ 1,015,821</u>

The City is subject to the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt (exclusive of certain enterprise bonds) the City may have outstanding up to 8% of the appraised value of property subject to taxation. At June 30, 2008, the City had no debt outstanding which was applicable to limitation and a legal debt margin of \$258,591,737.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Conduit Debt Obligation

The City of Rocky Mount, North Carolina has issued multi-family housing revenue bonds (Rollin Meadows Apartments – Series 2006) to provide financing to Rocky Rolling Limited Partnership for the acquisition and rehabilitation of a 130-unit multi-family housing project. These bonds are secured by the property financed as well as an assignment of rents and a security agreement. Credit enhancement has been provided by Fannie Mae. Ownership of the acquired property is in the name of the partnership served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2008, the Rolling Meadows Apartments – Series 2006 is the only revenue bond outstanding, with an aggregate principal amount payable of \$4,800,000.

12. Interfund Balances and Activity

Due To/From Other Funds

The composition of interfund balances as of June 30, 2008 are as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>
<u>Nonmajor Governmental</u>	<u>General</u>
Public Transportation	\$ 203,290
Entitlement Grants	94,631
General Capital	568,617
	<u>\$ 866,538</u>

Amounts due to the General Fund from the nonmajor governmental funds represents \$866,538 cash advances to cover expenses in the special revenue and capital project funds.

Transfers To/From Other Funds

<u>Transfer Out</u>	<u>Transfer In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Water Fund</u>	<u>Nonmajor Enterprise</u>	
General Fund	\$ -	\$ 1,328,095	\$ -	\$ 300,000	\$ 1,628,095
Nonmajor Governmental Funds	1,545,076	230,550	-	-	1,775,626
Electric Fund	1,500,000	-	-	-	1,500,000
Gas Fund	1,125,000	-	-	-	1,125,000
Sewer Fund	-	30,090	356,000	-	386,090
Water Fund	475,000	-	-	-	475,000
Total	<u>\$ 4,645,076</u>	<u>\$ 1,588,735</u>	<u>\$ 356,000</u>	<u>\$ 300,000</u>	<u>\$ 6,889,811</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

General Fund and nonmajor governmental fund transfers are used to move unrestricted fund revenues to support various programs that the government must account for in other funds in accordance with budgetary authorizations. The transfer between nonmajor governmental funds was to match grant funds for downtown enhancements.

The transfer between the General Fund and non-major enterprise fund was a contribution to the Stormwater fund for eligible drainage repairs and replacement work from Powell Bill funds. The transfer from the sewer fund to the water fund was for the sewer fund's share of expenses related to the drought. The transfer from the sewer fund to non-major governmental funds was a contribution for sewer lines on an economic development project.

Electric, Gas, and Water Fund transfers are transfers which represent a return on the investment of the utility. These transfers are made within guidelines established in the City's administrative policy. Currently, the Electric Fund may transfer a maximum of 3% of the fund's gross fixed assets; the Gas Fund may transfer a maximum of 75% of the fund's income before transfers; and the Water Fund may transfer a maximum of 50% of income before transfers.

13. Jointly Governed Organizations

The City, participates in two jointly governed organizations with other entities as follows:

Braswell Memorial Library

The City, in conjunction with the Library Association, Nash County and Edgecombe County, participates in a jointly governed organization to operate the Braswell Memorial Library. Each of the entities appoints members of the twelve-member Board of Trustees of the Library. The City appoints three of the twelve Board members. The City contributed \$604,610 to the library's operating purposes during the year ended June 30, 2008.

North Carolina Eastern Municipal Power Agency

On September 28, 1981, the City Council adopted an ordinance authorizing the City's participation in the North Carolina Eastern Municipal Power Agency (the "Agency") and, as such, is a part owner in several electrical generating plants operated by Carolina Power and Light Company ("CP&L").

Under the contracts executed by the City with the Agency, the Agency became the "all requirements" power supplier to the City. The City is obligated to pay for this power at rates set by the Agency and to set electrical utility rates at a level such that sufficient electrical revenues are generated to meet the obligations to the Agency. The Agency furnishes power to the City and the 31 other North Carolina municipalities participating in the Agency through its ownership of a portion of CP&L's generating capacity, together with additional purchases of power and energy as needed to meet the "all requirements" needs of the 32 municipalities. The City's share of the power and energy from the Initial Project is 16.026%. Under the terms of the agreement with the Agency, the City is obligated to pay such proportionate share of the Agency's Initial Project, whether the generators produce power or not. This is commonly referred to as a "take or pay" contract in the utility industry. This agreement expires on the later of (i) January 1, 2032 or (ii) the date upon which the last generating unit of the Initial Project is retired.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

To finance its ownership interest in the Initial Project, the Agency issued bonds. At December 31, 2006, \$2,770,090,000 of the bonds were outstanding (net of unamortized discount of \$14,520,000). The Agency bills each participant monthly for power costs and the participant's share of debt service on the Agency's bonds.

Also, on December 9, 1991, the City Council authorized the City to enter into a subsequent agreement with the Agency, whereby the Agency would construct, own and operate three combustion turbine plants totaling up to 240 megawatts (the "Peaking Project"). This agreement is also considered a "take or pay" contract and was entered into by 27 of the 32 municipalities that entered into the Initial Project. The City is obligated to pay 14.4093% of the Agency's costs of the Peaking Project and is entitled to a like percentage of energy and power from the project.

As needed, the City purchases electrical power from the Southeastern Power Administration in addition to electrical purchase from the Agency.

14. Joint Ventures

Rocky Mount-Wilson Airport Authority

The City, in conjunction with the City of Wilson, Nash County, Edgecombe County and Wilson County, participates in a joint venture to operate the Rocky Mount-Wilson Airport Authority. Each of the entities appoints members of the seven-member board of commissioners of the Authority. The City appoints two of the seven Board members. The City has an ongoing financial responsibility for the airport and contributed \$88,000 to the Authority for operating purposes and capital outlay during the year ended June 30, 2008. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$7,839,224 (cost of \$12,428,393 less accumulated depreciation of \$4,589,169) has been reflected in the City's Statement of Net Assets as capital assets at June 30, 2008. The current year decrease in the investment of \$128,534 is included in general governmental expense in the Statement of Activities net of the City's contributions to the Authority during the year ended June 30, 2008. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 250 Airport Road, Elm City, North Carolina 27822.

15. Related Organization

Rocky Mount Housing Authority

The Rocky Mount Housing Authority (Authority) provides decent, safe and sanitary low rent housing for low income families who cannot afford private housing. The mayor of the City appoints the entire Board of the Authority; however, the City is unable to impose its will on the Authority. The Authority owns numerous housing properties in various locations within the City. Annually, the City receives a payment in lieu of taxes from the Authority. For the year ended June 30, 2008, this payment totaled \$21,506.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

16. Utility Service Fees

The General Fund charges the enterprise funds a utility service fee to reimburse the General Fund for overhead expenses which are not specifically identified with the utility operations. Utility service fees totaling \$8,565,520 are recorded as operational expense in the enterprise funds and as a reduction of operating expenditures of the General Fund.

The Electric Fund charges all City departments a telephone fee based on usage to reimburse the Electric Fund for services, maintenance and debt associated with the telephone system. Telephone fees totaling \$480,361 are recorded as operating expense in each City department and as a reduction of operating expenses in the Electric Fund.

17. Stewardship, Compliance and Accountability

Federal and State Funds

The City participates in a number of federal and State grant programs. For the fiscal year ended June 30, 2008, these programs were subject to audit in accordance with the Single Audit Act of 1984, the provisions of OMB Circular A-133 and the State Single Audit Implementation Act. The amount, if any, of expenditures which may be disallowed by the granting agencies resulting from any such audit cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

18. Significant Contingencies

Environmental Concerns

In 1984, the City sold two tracts of real estate, totaling approximately 105 acres, which for many years had been used as the Rocky Mount Municipal Airport. Subsequent to June 30, 1999, the City reacquired the real estate. The airport was closed in the late 1970's following the construction of the Rocky Mount-Wilson Airport. In the latter part of 1987, several highway construction workers became ill during the widening of a highway adjacent to the property. An investigation revealed the presence of hazardous waste on the property concentrated in an area close to the highway and in smaller amounts on other portions of the property. The most likely source of the chemicals is considered to be a crop dusting business that flew out of the airport during the 1970's, and which is thought to have emptied left-over pesticide in the area where the hazardous waste was discovered.

The City and prior owner have agreed to split the cost to clean-up the waste and are seeking legal action against the crop duster. Under State and federal law, all owners of property, present and past, on which hazardous waste is discovered are jointly and severally liable for the clean-up cost, regardless of who created, caused, or contributed to the hazardous condition if it existed on the property during their period of ownership. Clean-up of the hazardous waste has commenced and, to date, the City has paid \$3,740,417 of the clean-up costs. Remediation costs have been completed. The City will continue to pay fees on the site area for monitoring purposes.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Appropriation to School System

During fiscal year 1991-1992, the North Carolina General Assembly enacted legislation to provide for the merger and consolidation of the School Administrative Units in Nash County and the City of Rocky Mount. The legislation created the “Nash-Rocky Mount Board of Education” (the “Board”) and became effective on July 1, 1992.

The Board was given the responsibility to operate and administer all of the public schools in the Nash-Rocky Mount School Administrative Unit with funding originating from Edgecombe and Nash Counties and the City. The City has agreed to contribute an amount equal to the current appropriation per student differential occurring between Nash and Edgecombe Counties each year, indefinitely. The amount contributed under this agreement was \$429,185 for the year ended June 30, 2008.

Litigation Matters

The City is a defendant in various other claims and litigation arising in the normal course of operations. In the opinion of management, resolution of these matters will not result in a material adverse effect on the City’s financial position.

19. Discretely Presented Component Unit

The following significant component unit information and accounting policies are disclosed to allow for fair presentation and to supplement the financial data included in the combined financial statements.

Deposits

The Theatre’s deposit information is disclosed in Note 2.

Capital Assets

The Theatre’s capital assets are disclosed in Note 4.

Pledged Assets and Long-Term Debt

Long-term debt at December 31, 2007 and collateral pledged, thereon, consists of the following:

Note payable to bank (“A Note”), interest due monthly at 0.5%, principal and interest payments commence on July 2012, matures December 2045, guaranteed by minority member and collateralized by deed of trust and assignment of rents. The outstanding balance at December 31, 2007 was \$6,499,000.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

Note payable to bank ("B Note"), interest accrues at 1.0% and payments commence July 2012, principal payments commence July 2015, matures December 2045, guaranteed by minority member and collateralized by deed of trust and assignment of rents. The outstanding balance at December 31, 2007 was \$1,801,863.

The City has placed escrow funds totaling \$6,499,000 in a cash collateral account owned by the Rocky Mount Business Development Authority ("BDA") and collateralized by the lender. At the end of seven years, the BDA has the right to use the cash collateral account to pay Note A in full.

20. Related Party Transactions

The Theatre entered into a lease agreement dated January 11, 2005, with the City. Under the agreement, the Theatre will receive \$70,000 annually for seven years commencing December 31, 2005. After the initial seven years, the rent increases to \$300,000 annually through 2044. The City is responsible for all repairs and maintenance, insurance, and operating costs. The lease is a nonappropriation lease whereby the City has the power to decide not to appropriate funds to pay the lease payments. No funds were appropriated during the year for lease payments.

The Theatre entered into a Paying Agent Agreement with the City whereby the City acts as the paying agent for the Theatre under all contracts related to the construction and equipping of the Theatre. The agreement requires the Theatre to provide the City with a copy of each invoice to be paid in addition to transferring funds to the City in the amount of the invoice(s) to be paid. The City then makes the payment of each invoice for no charge except reimbursement for any out of pocket costs incurred. All disbursed funds for the year were paid by the City under the Paying Agent Agreement.



REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains information required by generally accepted accounting principles.



CITY OF ROCKY MOUNT, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2008

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
12/31/01	\$ -	\$ 1,619,495	\$ 1,619,495	0.00%	\$ 4,829,736	33.53%
12/31/02	-	1,818,091	1,818,091	0.00%	5,079,552	35.79%
12/31/03	-	2,090,613	2,090,613	0.00%	5,329,225	39.23%
12/31/04	-	2,205,545	2,205,545	0.00%	5,219,243	42.26%
12/31/05	-	2,187,659	2,187,659	0.00%	6,024,089	36.32%
12/31/06	-	2,501,361	2,501,361	0.00%	5,783,996	43.25%
12/31/07	-	2,748,305	2,748,305	0.00%	6,181,307	44.46%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
1996	\$ 63,026	83.08%
1997	63,026	83.06%
1998	99,165	51.83%
1999	107,827	58.68%
2000	126,352	58.80%
2001	128,405	46.29%
2002	151,339	54.54%
2003	176,638	60.23%
2004	198,195	76.92%
2005	217,166	75.00%
2006	227,572	94.62%
2007	226,351	108.51%
2008	245,051	106.96%

Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated.

Additional information as of the latest valuation follows:

Valuation date	12/31/2006	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay closed	
Remaining amortization period	24 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	7.25%	* Includes inflation at 3.75%
Projected salary increases *	4.5 - 12.3%	
Cost of living adjustments	N/A	

CITY OF ROCKY MOUNT, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2008

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Liability (AAL) -Projected Unit Credit B	Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
12/31/05	\$ -	\$ 26,003,197	\$ 26,003,197	0.00%	\$ 31,877,912	81.6%
12/31/06	-	25,079,116	25,079,116	0.00%	33,339,163	75.2%
12/31/07	-	31,660,867	31,660,867	0.00%	32,250,543	98.2%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2008	\$ 2,532,013	0.00%

Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated.

Additional information as of the latest valuation follows:

Valuation date	12/31/2007	
Actuarial cost method	Projected unit credit	
Amortization method	Level percent of pay open	
Remaining amortization period	30 years	
Asset valuation method	Market value	
Actuarial assumptions:		
Investment rate of return *	4.00%	* Includes inflation at 3.75%
Medical cost trend rate	5% - 11%	
Year of Ultimate trend rate	2016	

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is established to account for the revenues and expenditures traditionally associated with operating governmental service functions, except for those resources required to be accounted for in another fund.



CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	2008		
	Final Budget	Actual	Variance Positive/(Negative)
Revenues:			
Taxes:			
Ad Valorem Taxes:			
Current year	\$ 17,350,000	\$ 17,272,092	\$ (77,908)
Prior years	350,000	392,021	42,021
Penalties and interest	175,000	186,917	11,917
Total	17,875,000	17,851,030	(23,970)
Intergovernmental Revenues:			
Payment in lieu of taxes	1,212,701	1,233,637	20,936
Local option sales tax	9,401,000	9,466,144	65,144
Telecommunications tax	750,000	836,645	86,645
Franchise tax	2,379,300	2,547,160	167,860
Tax refunds	35,000	38,933	3,933
Beer and wine tax	270,000	259,635	(10,365)
ABC revenues	40,000	63,488	23,488
Court facilities fees	187,000	155,272	(31,728)
State grants	2,095,401	2,100,185	4,784
On behalf payments - fire	-	15,210	15,210
Other	663,300	674,950	11,650
Total	17,033,702	17,391,259	357,557
Licenses, Permits and Other Taxes:			
Privilege licenses	100,000	112,519	12,519
Buildings permits and inspection fees	739,000	636,908	(102,092)
Rental vehicle tax	46,000	52,641	6,641
Animal tax	26,000	24,328	(1,672)
Other	203,000	239,173	36,173
Total	1,114,000	1,065,569	(48,431)
Sales and Service:			
Solid waste and recycling charge	3,272,000	3,172,842	(99,158)
Reconnection charges	300,000	302,378	2,378
Weed control charges	53,000	46,301	(6,699)
Cemetery revenues	177,000	136,257	(40,743)
Sale of fixed assets	366,000	86,839	(279,161)
Recreation department fee	547,800	536,644	(11,156)
Traffic maintenance charges	200,900	13,701	(187,199)
Transfer station charges	2,400,000	2,241,711	(158,289)
Concessions	83,200	128,082	44,882
Other	567,620	423,352	(144,268)
Total	7,967,520	7,088,107	(879,413)
Investment Earnings	874,000	924,101	50,101

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	2008		
	Final Budget	Actual	Variance Positive/(Negative)
Miscellaneous:			
Insurance	11,700	64,581	52,881
Demolition assessment	40,000	16,673	(23,327)
Excess utility tax	400,000	385,602	(14,398)
Rents	289,700	299,990	10,290
Contributions	99,211	138,526	39,315
Parking	10,100	10,942	842
Other	191,000	120,581	(70,419)
Total	1,041,711	1,036,895	(4,816)
 Total revenues	 45,905,933	 45,356,961	 (548,972)
 Expenditures:			
General Government:			
Mayor and City Council:			
Salaries	66,082	66,080	2
Employee benefits	48,273	47,994	279
Operating expenses	1,332,035	838,274	493,761
Utility service fee	(206,900)	(206,900)	-
Capital outlay	5,412	1,399	4,013
Total	1,244,902	746,847	498,055
 City Clerk:			
Salaries	174,843	167,441	7,402
Employee benefits	46,249	40,908	5,341
Operating expenses	42,110	39,555	2,555
Capital outlay	2,500	1,585	915
Utility service fee	(43,050)	(43,050)	-
Total	222,652	206,439	16,213
 Community Services:			
Operating expenses	1,988,832	777,212	1,211,620
Utility service fee	(256,400)	(256,400)	-
Total	1,732,432	520,812	1,211,620
 City Manager:			
Salaries	564,215	557,528	6,687
Employee benefits	131,492	128,107	3,385
Operating expenses	67,630	62,281	5,349
Utility service fee	(182,200)	(182,200)	-
Total	581,137	565,716	15,421

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	2008		
	Final Budget	Actual	Variance Positive/(Negative)
Public Affairs:			
Salaries	107,511	104,471	3,040
Employee benefits	31,468	29,863	1,605
Operating expenses	25,600	14,479	11,121
Capital outlay	68,000	54,006	13,994
Utility service fee	(66,150)	(66,150)	-
Total	166,429	136,669	29,760
Downtown Development:			
Salaries	74,037	73,150	887
Employee benefits	17,978	17,252	726
Operating expenses	86,000	42,872	43,128
Utility service fee	(38,400)	(38,400)	-
Total	139,615	94,874	44,741
Finance:			
Administration:			
Salaries	166,588	165,201	1,387
Employee benefits	44,113	43,822	291
Operating expenses	771,364	677,068	94,296
Utility service fee	(851,000)	(851,000)	-
Total	131,065	35,091	95,974
Accounting:			
Salaries	385,905	347,664	38,241
Employee benefits	99,270	84,937	14,333
Operating expenses	53,600	43,324	10,276
Capital outlay	2,000	2,000	-
Utility service fee	(412,400)	(412,400)	-
Total	128,375	65,525	62,850
Purchasing:			
Salaries	308,611	302,899	5,712
Employee benefits	84,609	82,291	2,318
Operating expenses	37,400	31,102	6,298
Utility service fee	(335,000)	(335,000)	-
Total	95,620	81,292	14,328
Utility Billing:			
Salaries	1,569,732	1,514,354	55,378
Employee benefits	436,601	408,030	28,571
Operating expenses	433,140	380,883	52,257
Capital outlay	52,135	26,153	25,982
Utility service fee	(2,441,700)	(2,329,423)	(112,277)
Total	49,908	(3)	49,911

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	2008		
	Final Budget	Actual	Variance Positive/(Negative)
Information Systems:			
Salaries	509,767	484,426	25,341
Employee benefits	123,863	111,747	12,116
Operating expenses	809,200	535,097	274,103
Capital outlay	786,161	159,326	626,835
Utility service fee	(1,598,500)	(1,290,597)	(307,903)
Total	630,491	(1)	630,492
 Total finance	 1,035,459	 181,904	 853,555
Central Services:			
Municipal Building:			
Salaries	296,498	290,803	5,695
Employee benefits	88,786	85,100	3,686
Operating expenses	581,959	555,004	26,955
Capital outlay	11,100	8,707	2,393
Utility service fee	(542,000)	(542,000)	-
Total	436,343	397,614	38,729
 Print Shop:			
Operating expenses	157,641	157,642	(1)
Utility service fee	(85,500)	(85,500)	-
Total	72,141	72,142	(1)
 Judicial Center:			
Salaries	109,282	103,930	5,352
Employee benefits	26,810	26,809	1
Operating expenses	104,018	103,175	843
Capital outlay	5,600	5,022	578
Total	245,710	238,936	6,774
 Total central services	 754,194	 708,692	 45,502
 Planning and Development:			
Planning Administration:			
Salaries	360,678	331,022	29,656
Employee benefits	85,942	80,296	5,646
Operating expenses	63,200	35,495	27,705
Total	509,820	446,813	63,007

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	2008		
	Final Budget	Actual	Variance Positive/(Negative)
Inspections:			
Salaries	509,780	438,608	71,172
Employee benefits	127,248	106,687	20,561
Operating expenses	88,200	45,540	42,660
Capital outlay	6,200	-	6,200
Total	731,428	590,835	140,593
CDBG Entitlement Grant:			
Salaries	247,972	235,411	12,561
Employee benefits	67,971	60,414	7,557
Operating expenses	54,900	28,383	26,517
Total	370,843	324,208	46,635
Total planning and development	1,612,091	1,361,856	250,235
Human Resources:			
Salaries	468,512	460,623	7,889
Employee benefits	728,705	632,546	96,159
Operating expenses	787,590	149,165	638,425
Utility service fee	(532,300)	(532,300)	-
Capital outlay	5,100	1,309	3,791
Total human resources	1,457,607	711,343	746,264
Human Relations:			
Salaries	281,513	271,122	10,391
Employee benefits	83,823	67,916	15,907
Operating expenses	32,150	26,815	5,335
Utility service fee	(163,300)	(163,400)	100
Capital outlay	6,050	5,604	446
Total human relations	240,236	208,057	32,179
Total general government	9,186,754	5,443,209	3,743,545
Public Safety:			
Police:			
Administration:			
Salaries	243,576	243,576	-
Employee benefits	362,702	355,849	6,853
Operating expenses	99,460	83,155	16,305
Total	705,738	682,580	23,158

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	2008		
	Final Budget	Actual	Variance Positive/(Negative)
Administrative Services:			
Salaries	1,146,463	1,144,312	2,151
Employee benefits	315,951	288,487	27,464
Operating expenses	186,900	182,371	4,529
Capital outlay	8,000	7,931	69
Total	1,657,314	1,623,101	34,213
Staff Services:			
Salaries	1,158,655	1,154,725	3,930
Employee benefits	355,749	317,696	38,053
Operating expenses	361,540	356,800	4,740
Capital outlay	20,525	18,799	1,726
Total	1,896,469	1,848,020	48,449
Field Operations:			
Salaries	4,283,932	4,283,931	1
Employee benefits	1,525,791	1,474,902	50,889
Operating expenses	420,640	408,986	11,654
Capital outlay	327,934	327,210	724
Total	6,558,297	6,495,029	63,268
Investigative Services:			
Salaries	959,120	940,012	19,108
Employee benefits	285,311	242,290	43,021
Operating expenses	82,781	82,729	52
Capital outlay	40,785	40,784	1
Total	1,367,997	1,305,815	62,182
Total police	12,185,815	11,954,545	231,270
Fire:			
Administration:			
Salaries	158,680	156,494	2,186
Employee benefits	83,075	76,925	6,150
Operating expenses	306,190	292,187	14,003
Capital outlay	45,500	44,397	1,103
Total	593,445	570,003	23,442
Operations:			
Salaries	5,835,830	5,772,968	62,862
Employee benefits	1,515,983	1,487,328	28,655
Operating expenses	484,905	458,772	26,133
Capital outlay	11,000	9,772	1,228
Total	7,847,718	7,728,840	118,878

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	2008		
	Final Budget	Actual	Variance Positive/(Negative)
Prevention:			
Salaries	446,305	446,304	1
Employee benefits	97,222	96,191	1,031
Operating expenses	30,795	29,310	1,485
Capital outlay	28,000	27,865	135
Total	602,322	599,670	2,652
Training:			
Salaries	257,280	256,873	407
Employee benefits	60,714	60,019	695
Operating expenses	38,600	34,890	3,710
Capital outlay	23,000	22,460	540
Total	379,594	374,242	5,352
Total fire	9,423,079	9,272,755	150,324
Total public safety	21,608,894	21,227,300	381,594
Public Works:			
Administration:			
Salaries	149,529	149,529	-
Employee benefits	32,308	32,309	(1)
Operating expenses	32,510	29,638	2,872
Total	214,347	211,476	2,871
Street and Row Maintenance:			
Salaries	689,369	639,178	50,191
Employee benefits	230,292	192,977	37,315
Operating expenses	1,041,157	986,930	54,227
Capital outlay	564,843	218,288	346,555
Service charges	(445,000)	(458,104)	13,104
Total	2,080,661	1,579,269	501,392
Housing Code Enforcement:			
Salaries	393,750	393,750	-
Employee benefits	115,948	115,948	-
Operating expenses	381,831	358,126	23,705
Capital outlay	31,660	16,625	15,035
Total	923,189	884,449	38,740

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	2008		
	Final Budget	Actual	Variance Positive/(Negative)
Environmental Service:			
Salaries	1,630,254	1,630,253	1
Employee benefits	460,076	460,075	1
Operating expenses	3,647,978	3,341,561	306,417
Capital outlay	1,555,500	237,667	1,317,833
Total	7,293,808	5,669,556	1,624,252
Fleet Maintenance:			
Salaries	811,674	811,674	-
Employee benefits	233,877	224,045	9,832
Operating expenses	2,340,654	2,298,238	42,416
Capital outlay	62,980	24,710	38,270
Service charges	(2,940,115)	(2,954,200)	14,085
Total	509,070	404,467	104,603
Total public works	11,021,075	8,749,217	2,271,858
Engineering:			
Administration:			
Salaries	619,599	619,598	1
Employee benefits	157,616	155,189	2,427
Operating expenses	79,947	73,802	6,145
Capital outlay	28,400	23,970	4,430
Utility service fee	(361,700)	(361,700)	-
Total	523,862	510,859	13,003
Traffic:			
Salaries	508,640	495,796	12,844
Employee benefits	123,961	121,825	2,136
Operating expenses	426,281	411,769	14,512
Capital outlay	40,004	27,834	12,170
Utility service fee	(428,100)	(428,100)	-
Total	670,786	629,124	41,662
Total engineering	1,194,648	1,139,983	54,665
Parks and Recreation:			
Administration:			
Salaries	205,900	192,738	13,162
Employee benefits	61,998	52,689	9,309
Operating expenses	62,076	59,817	2,259
Capital outlay	6,300	5,402	898
Total	336,274	310,646	25,628

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	2008		
	Final Budget	Actual	Variance Positive/(Negative)
Athletics:			
Salaries	309,481	292,919	16,562
Employee benefits	59,034	59,034	-
Operating expenses	88,528	88,016	512
Total	457,043	439,969	17,074
Cultural Arts:			
Salaries	378,264	327,601	50,663
Employee benefits	75,899	68,269	7,630
Operating expenses	210,115	183,723	26,392
Capital outlay	45,254	6,647	38,607
Total	709,532	586,240	123,292
Amusements and Special Events:			
Salaries	48,779	48,778	1
Employee benefits	14,428	14,428	-
Operating expenses	60,481	60,481	-
Capital outlay	1,700	-	1,700
Total	125,388	123,687	1,701
Museum:			
Salaries	311,059	297,326	13,733
Employee benefits	63,429	60,883	2,546
Operating expenses	113,985	112,269	1,716
Capital outlay	5,300	5,251	49
Total	493,773	475,729	18,044
Parks Maintenance:			
Salaries	738,839	733,088	5,751
Employee benefits	225,770	215,490	10,280
Operating expenses	609,594	584,343	25,251
Capital outlay	63,201	62,940	261
Total	1,637,404	1,595,861	41,543
Cemetery Operations:			
Salaries	235,102	220,953	14,149
Employee benefits	73,304	64,527	8,777
Operating expenses	57,450	53,332	4,118
Capital outlay	18,100	17,957	143
Total	383,956	356,769	27,187

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	2008		
	Final Budget	Actual	Variance Positive/(Negative)
Outdoor Programs:			
Salaries	165,554	160,935	4,619
Employee benefits	22,873	22,873	-
Operating expenses	46,703	44,943	1,760
Total	235,130	228,751	6,379
Neighborhood Programs:			
Salaries	376,074	376,073	1
Employee benefits	71,296	71,296	-
Operating expenses	125,350	120,681	4,669
Total	572,720	568,050	4,670
Senior Programs:			
Salaries	167,013	167,013	-
Employee benefits	35,877	35,877	-
Operating expenses	164,300	153,709	10,591
Capital outlay	14,209	14,107	102
Total	381,399	370,706	10,693
Sports Complex:			
Salaries	110,839	98,200	12,639
Employee benefits	17,370	17,369	1
Operating expenses	176,662	170,971	5,691
Capital outlay	78,000	77,325	675
Total	382,871	363,865	19,006
Imperial Centre:			
Salaries	61,679	60,612	1,067
Employee benefits	12,035	12,035	-
Operating expenses	1,340,421	1,283,889	56,532
Capital outlay	57,892	57,891	1
Total	1,472,027	1,414,427	57,600
Total parks and recreation	7,187,517	6,834,700	352,817
Public Service:			
Capital outlay	2,907,700	549,493	2,358,207
Debt service expenditures	2,189,542	2,064,112	125,430
Total expenditures	55,296,130	46,008,014	9,288,116
Revenues over (under) expenditures	(9,390,197)	(651,053)	8,739,144

CITY OF ROCKY MOUNT, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	2008		
	Final Budget	Actual	Variance Positive/(Negative)
Other Financing Sources (Uses):			
Transfers from other fund	4,645,076	4,645,076	-
Transfers to other fund	(1,628,097)	(1,628,095)	2
Installment purchase financing issued	2,003,000	1,201,000	(802,000)
Total other financing sources (uses)	<u>5,019,979</u>	<u>4,217,981</u>	<u>(801,998)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(4,370,218)	3,566,928	7,937,146
Appropriated fund balance	<u>4,370,218</u>	<u>-</u>	<u>(4,370,218)</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	3,566,928	<u>\$ 3,566,928</u>
Fund Balance:			
Beginning of year, July 1		<u>22,730,906</u>	
End of year, June 30		<u>\$ 26,297,834</u>	



NON MAJOR GOVERNMENTAL FUNDS



CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2008

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
Assets:			
Cash and cash equivalents/investments	\$ 684,391	\$ 913,852	\$ 1,598,243
Receivables - net:			
Ad valorem taxes	-	7,170	7,170
Other governmental agencies	680,379	1,768,337	2,448,716
Other	436,556	98,441	534,997
Total assets	<u>\$ 1,801,326</u>	<u>\$ 2,787,800</u>	<u>\$ 4,589,126</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued expenditures	\$ 80,658	\$ 53,497	\$ 134,155
Deferred revenue	-	556,235	556,235
Deposits	17,549	-	17,549
Due to other funds	297,921	568,617	866,538
Total liabilities	<u>396,128</u>	<u>1,178,349</u>	<u>1,574,477</u>
Fund Balances:			
Reserved for:			
State statute	68,803	661,493	730,296
Unreserved:			
Undesignated	1,336,395	947,958	2,284,353
Total fund balances	<u>1,405,198</u>	<u>1,609,451</u>	<u>3,014,649</u>
Total liabilities and fund balances	<u>\$ 1,801,326</u>	<u>\$ 2,787,800</u>	<u>\$ 4,589,126</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ -	\$ 60,721	\$ 60,721
Intergovernmental	3,543,661	1,800,343	5,344,004
Project	1,978,543	262,400	2,240,943
Investment earnings	43,033	13,144	56,177
Miscellaneous	71,252	730,919	802,171
Total revenues	<u>5,636,489</u>	<u>2,867,527</u>	<u>8,504,016</u>
Expenditures:			
Current:			
General government	-	25,000	25,000
Public safety	72,422	99,006	171,428
Parks and recreation	-	1,907,827	1,907,827
Public service	3,252,051	1,644,876	4,896,927
Community revitalization	1,948,078	-	1,948,078
Debt service	-	671,534	671,534
Total expenditures	<u>5,272,551</u>	<u>4,348,243</u>	<u>9,620,794</u>
Revenues over (under) expenditures	<u>363,938</u>	<u>(1,480,716)</u>	<u>(1,116,778)</u>
Other Financing Sources (Uses):			
Transfers in	428,195	1,160,540	1,588,735
Transfers out	(1,348,063)	(389,213)	(1,737,276)
Installment purchase financing issued	-	385,000	385,000
Total other financing sources (uses)	<u>(919,868)</u>	<u>1,156,327</u>	<u>236,459</u>
Net change in fund balances	(555,930)	(324,389)	(880,319)
Fund Balances:			
Beginning of year, July 1	<u>1,961,128</u>	<u>1,933,840</u>	<u>3,894,968</u>
End of year, June 30	<u>\$ 1,405,198</u>	<u>\$ 1,609,451</u>	<u>\$ 3,014,649</u>

NON MAJOR SPECIAL REVENUE FUNDS

Public Transportation Grants Fund

The purpose of the Public Transportation Grants Fund is to account for federal and state grants used to finance the Rocky Mount Transit (bus) system.

Entitlement Grants Fund

The purpose of the Entitlement Grants Fund is to account for projects financed with Housing and Urban Development (HUD) Grants that are used for revitalization of low and moderate-income areas within the City.

Emergency Management Fund

This fund was established to account for federal and state grant funds used to recover from the effects of natural disasters.

Crime/Safety Control Fund

This fund was established to account for federal and state grants used to finance law enforcement and fire projects including bullet proof vests, kid safety programs, law enforcement block grants, and other projects for crime and safety control.

Economic Development Fund

This fund was established to account for federal and state grants used to promote improvement in economically depressed areas, improve housing, public infrastructure, employment and business opportunities.

Emergency Telephone System Fund

This fund was established to account for monies received from the local telephone company from a monthly charge to telephone subscribers. Expenditures from this fund are restricted to specific purchase and maintenance of emergency telephone equipment.

Occupancy Tax

This fund was established to account for monies received from the local occupancy tax.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2008

	Public Transportation Grants	Entitlement Grants	Emergency Management	Crime/ Safety Control
Assets:				
Cash and cash equivalents/investments	\$ -	\$ -	\$ -	\$ 76,768
Receivables - net:				
Other governmental agencies	409,670	265,757	-	4,952
Other	357,821	2,354	-	-
Total assets	<u>\$ 767,491</u>	<u>\$ 268,111</u>	<u>\$ -</u>	<u>\$ 81,720</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenditures	\$ 70,345	\$ 10,024	\$ -	\$ -
Deposits	-	17,549	-	-
Due to other funds	203,290	94,631	-	-
Total liabilities	<u>273,635</u>	<u>122,204</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved for:				
State statute	-	-	-	-
Designated for subsequent year's				
Unreserved:				
Undesignated	493,856	145,907	-	81,720
Total fund balances	<u>493,856</u>	<u>145,907</u>	<u>-</u>	<u>81,720</u>
Total liabilities and fund balances	<u>\$ 767,491</u>	<u>\$ 268,111</u>	<u>\$ -</u>	<u>\$ 81,720</u>

Schedule D-1

Economic Development	Emergency Telephone System	Occupancy Tax	Total
\$ 150,309	\$ 136,786	\$ 320,528	\$ 684,391
-	-	-	680,379
7,578	36,667	32,136	436,556
<u>\$ 157,887</u>	<u>\$ 173,453</u>	<u>\$ 352,664</u>	<u>\$ 1,801,326</u>
\$ -	\$ 289	\$ -	\$ 80,658
-	-	-	17,549
-	-	-	297,921
<u>-</u>	<u>289</u>	<u>-</u>	<u>396,128</u>
-	36,667	32,136	68,803
<u>157,887</u>	<u>136,497</u>	<u>320,528</u>	<u>1,336,395</u>
<u>157,887</u>	<u>173,164</u>	<u>352,664</u>	<u>1,405,198</u>
<u>\$ 157,887</u>	<u>\$ 173,453</u>	<u>\$ 352,664</u>	<u>\$ 1,801,326</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2008

	Public Transportation Grants	Entitlement Grants	Emergency Management	Crime/ Safety Control
Revenues:				
Intergovernmental	\$ 1,411,525	\$ 1,566,049	\$ -	\$ 88,675
Project	1,531,048	85,700	-	-
Investment earnings	(6)	-	-	1,896
Miscellaneous	67,430	-	-	3,822
Total revenues	<u>3,009,997</u>	<u>1,651,749</u>	<u>-</u>	<u>94,393</u>
Expenditures:				
Current:				
Public safety	-	-	-	72,422
Public service	3,046,490	-	-	-
Community revitalization	-	1,831,629	-	-
Total expenditures	<u>3,046,490</u>	<u>1,831,629</u>	<u>-</u>	<u>72,422</u>
Revenues over (under) expenditures	<u>(36,493)</u>	<u>(179,880)</u>	<u>-</u>	<u>21,971</u>
Other Financing Sources (Uses):				
Transfers in	253,672	140,923	-	3,500
Transfers out	-	-	(3,890)	-
Total other financing sources (uses)	<u>253,672</u>	<u>140,923</u>	<u>(3,890)</u>	<u>3,500</u>
Net change in fund balances	217,179	(38,957)	(3,890)	25,471
Fund Balance:				
Beginning of year, July 1	276,677	184,864	3,890	56,249
End of year , June 30	<u>\$ 493,856</u>	<u>\$ 145,907</u>	<u>\$ -</u>	<u>\$ 81,720</u>

Schedule D-2

Economic Development	Emergency Telephone System	Occupancy Tax	Total
\$ 40,784	\$ -	\$ 436,628	\$ 3,543,661
-	361,795	-	1,978,543
-	37,011	4,132	43,033
-	-	-	71,252
<u>40,784</u>	<u>398,806</u>	<u>440,760</u>	<u>5,636,489</u>
-	-	-	72,422
-	205,561	-	3,252,051
<u>116,449</u>	<u>-</u>	<u>-</u>	<u>1,948,078</u>
<u>116,449</u>	<u>205,561</u>	<u>-</u>	<u>5,272,551</u>
<u>(75,665)</u>	<u>193,245</u>	<u>440,760</u>	<u>363,938</u>
30,100	-	-	428,195
<u>-</u>	<u>(1,244,173)</u>	<u>(100,000)</u>	<u>(1,348,063)</u>
<u>30,100</u>	<u>(1,244,173)</u>	<u>(100,000)</u>	<u>(919,868)</u>
(45,565)	(1,050,928)	340,760	(555,930)
<u>203,452</u>	<u>1,224,092</u>	<u>11,904</u>	<u>1,961,128</u>
<u>\$ 157,887</u>	<u>\$ 173,164</u>	<u>\$ 352,664</u>	<u>\$ 1,405,198</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - PUBLIC TRANSPORTATION GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

			Actual	
	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Intergovernmental	\$ 2,913,667	\$ 1,333,475	\$ 1,411,525	\$ 2,745,000
Project revenues	1,484,000	-	1,531,048	1,531,048
Investment earnings	-	6	(6)	-
Miscellaneous	14,000	193	67,430	67,623
Total revenues	<u>4,411,667</u>	<u>1,333,674</u>	<u>3,009,997</u>	<u>4,343,671</u>
Expenditures:				
Public Service:				
Operating	4,440,981	1,343,594	2,823,646	4,167,240
Capital outlay	437,830	204,318	222,844	427,162
Total expenditures	<u>4,878,811</u>	<u>1,547,912</u>	<u>3,046,490</u>	<u>4,594,402</u>
Revenues over (under) expenditures	<u>(467,144)</u>	<u>(214,238)</u>	<u>(36,493)</u>	<u>(250,731)</u>
Other Financing Sources (Uses):				
Transfers from other funds	467,144	244,321	253,672	497,993
Total other financing sources (uses)	<u>467,144</u>	<u>244,321</u>	<u>253,672</u>	<u>497,993</u>
Adjustment for closed projects	-	246,594	-	246,594
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 276,677</u>	217,179	<u>\$ 493,856</u>
Fund Balance:				
Beginning of year, July 1			276,677	
End of year, June 30			<u>\$ 493,856</u>	

Prior year numbers have been reduced by the following amounts for projects closed:

Revenues:	
Intergovernmental	\$ 3,826,145
Project revenues	2,680,597
Installment financing	197,354
Miscellaneous	28,315
Total revenues	<u>6,732,411</u>
Expenditures:	
Operating	4,676,303
Capital outlay	2,520,891
Total expenditures	<u>7,197,194</u>
Revenues over (under) expenditures	<u>(464,783)</u>
Transfers from other funds	517,122
Transfer to other funds	(119,000)
Adjustment to fund balance	<u>\$ 66,661</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUND-ENTITLEMENT GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Project Authorization	Prior Years	Actual	
			Current Year	Total
Revenues:				
Intergovernmental	\$ 12,791,870	\$ 6,382,916	1,566,049	\$ 7,948,965
Project revenues	950,129	1,059,316	85,700	1,145,016
Investment earnings	-	10,221	-	10,221
Miscellaneous	23,400	36,219	-	36,219
Total revenues	<u>13,765,399</u>	<u>7,488,672</u>	<u>1,651,749</u>	<u>9,140,421</u>
Expenditures:				
Community Revitalization Program:				
Operating	14,109,941	7,400,646	1,829,401	9,230,047
Capital outlay	21,749	19,248	2,228	21,476
Total expenditures	<u>14,131,690</u>	<u>7,419,894</u>	<u>1,831,629</u>	<u>9,251,523</u>
Revenues over (under) expenditures	<u>(366,291)</u>	<u>68,778</u>	<u>(179,880)</u>	<u>(111,102)</u>
Other Financing Sources (Uses):				
Transfers from other funds	<u>366,291</u>	<u>116,086</u>	<u>140,923</u>	<u>257,009</u>
Total other financing sources (uses)	<u>366,291</u>	<u>116,086</u>	<u>140,923</u>	<u>257,009</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 184,864</u>	<u>(38,957)</u>	<u>\$ 145,907</u>
Fund Balance:				
Beginning of year, July 1			<u>184,864</u>	
End of year, June 30			<u>\$ 145,907</u>	

Prior year numbers have been reduced by the following amounts for projects closed:

Revenues:	
Intergovernmental	\$ 3,336,496
Project revenues	47,859
Miscellaneous	62,995
Total revenues	<u>3,447,350</u>
Expenditures:	
Operating	<u>3,511,830</u>
Total expenditures	<u>3,511,830</u>
Revenues over (under) expenditures	<u>(64,480)</u>
Transfers from other funds	<u>68,822</u>
Transfers to other funds	<u>(4,342)</u>
Total	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - EMERGENCY MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>
Revenues:				
Intergovernmental	\$ 22,487	\$ 22,487	\$ -	\$ 22,487
Total revenues	<u>22,487</u>	<u>22,487</u>	<u>-</u>	<u>22,487</u>
Expenditures:				
Emergency Management:				
Operating	<u>18,597</u>	<u>18,597</u>	<u>-</u>	<u>18,597</u>
Total expenditures	<u>18,597</u>	<u>18,597</u>	<u>-</u>	<u>18,597</u>
Revenues over (under) expenditures	<u>3,890</u>	<u>3,890</u>	<u>-</u>	<u>3,890</u>
Other Financing Sources (Uses):				
Transfers to other funds	<u>(3,890)</u>	<u>-</u>	<u>(3,890)</u>	<u>(3,890)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 3,890</u>	<u>(3,890)</u>	<u>\$ -</u>
Fund Balance:				
Beginning of year, July 1			<u>3,890</u>	
End of year, June 30			<u>\$ -</u>	

Prior year numbers have been reduced by the following amounts for projects closed:

Revenues:	
Intergovernmental	\$ 58,328,071
Total revenues	<u>58,328,071</u>
Expenditures:	
Operating	<u>58,328,071</u>
Total expenditures	<u>58,328,071</u>
Total	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - CRIME/SAFETY CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

			Actual	
	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Intergovernmental	\$ 245,566	\$ 156,114	\$ 88,675	\$ 244,789
Miscellaneous	3,822	-	3,822	3,822
Investment earnings	41,226	42,596	1,896	44,492
Total revenues	<u>290,614</u>	<u>198,710</u>	<u>94,393</u>	<u>293,103</u>
Expenditures:				
Public Safety:				
Operating	142,064	61,067	3,912	64,979
Capital outlay	159,090	87,659	68,510	156,169
Total expenditures	<u>301,154</u>	<u>148,726</u>	<u>72,422</u>	<u>221,148</u>
Revenues over (under) expenditures	<u>(10,540)</u>	<u>49,984</u>	<u>21,971</u>	<u>71,955</u>
Other Financing Sources (Uses):				
Transfers from other funds	<u>10,540</u>	<u>6,265</u>	<u>3,500</u>	<u>9,765</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 56,249</u>	<u>25,471</u>	<u>\$ 81,720</u>
Fund Balance:				
Beginning of year, July 1			<u>56,249</u>	
End of year, June 30			<u>\$ 81,720</u>	

Prior year numbers have been reduced by the following amounts for projects closed:

Revenues:	
Intergovernmental	\$ 147,563
Miscellaneous	<u>7,575</u>
Total revenues	<u>155,138</u>
Expenditures:	
Operating	30,138
Capital outlay	<u>174,498</u>
Total expenditures	<u>204,636</u>
Revenues over (under) expenditures	<u>(49,498)</u>
Transfers from other funds	<u>49,498</u>
Total	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - ECONOMIC DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Project Authorization	Prior Years	Actual	
			Current Year	Total
Revenues:				
Intergovernmental	\$ 1,037,665	\$ -	\$ 40,784	\$ 40,784
Investment earnings	-	10,646	-	10,646
Other	275,000	-	-	-
Total revenues	1,312,665	10,646	40,784	51,430
Expenditures:				
Community Revitalization:				
Operating	140,785	-	89,516	89,516
Capital outlay	1,401,980	7,194	26,933	34,127
Total expenditures	1,542,765	7,194	116,449	123,643
Revenues over (under) expenditures	(230,100)	3,452	(75,665)	(72,213)
Other Financing Sources (Uses):				
Transfers from other funds	230,100	200,000	30,100	230,100
Total other financing sources (uses)	230,100	200,000	30,100	230,100
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 203,452	(45,565)	\$ 157,887
Fund Balance:				
Beginning of year, July 1			203,452	
End of year, June 30			\$ 157,887	

Prior year numbers have been reduced by the following amounts for projects closed:

Revenues:	
Intergovernmental	\$ 921,000
Miscellaneous	920,170
Total revenues	<u>1,841,170</u>
Expenditures:	
Operating	669,247
Capital outlay	1,458,653
Total expenditures	<u>2,127,900</u>
Revenues over (under) expenditures	<u>(286,730)</u>
Transfers from other funds	\$ 413,687
Transfers to other funds	<u>(126,957)</u>
Total	<u>\$ -</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive/(Negative)
Revenues:			
Project	\$ 355,000	\$ 361,795	\$ 6,795
Investment earnings	35,000	37,011	2,011
Total revenues	<u>390,000</u>	<u>398,806</u>	<u>8,806</u>
Expenditures:			
Public Service:			
Operating	310,000	192,529	117,471
Capital outlay	<u>80,000</u>	<u>13,032</u>	<u>66,968</u>
Total expenditures	<u>390,000</u>	<u>205,561</u>	<u>184,439</u>
Revenues over (under) expenditures	<u>-</u>	<u>193,245</u>	<u>193,245</u>
Other Financing Sources (Uses):			
Transfers (to) other funds	(1,244,173)	(1,244,173)	-
Appropriated fund balance	<u>1,244,173</u>	<u>-</u>	<u>(1,244,173)</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,244,173)</u>	<u>(1,244,173)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(1,050,928)</u>	<u>\$ (1,050,928)</u>
Fund Balance:			
Beginning of year, July 1		<u>1,224,092</u>	
End of year, June 30		<u>\$ 173,164</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS - OCCUPANCY TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>
Revenues:				
Intergovernmental	\$ 2,490,000	\$ 2,395,629	\$ 436,628	\$ 2,832,257
Investment earnings	<u>35,000</u>	<u>41,275</u>	<u>4,132</u>	<u>45,407</u>
Total revenues	<u>2,525,000</u>	<u>2,436,904</u>	<u>440,760</u>	<u>2,877,664</u>
Other Financing Sources (Uses):				
Transfers to other funds	<u>(2,525,000)</u>	<u>(2,425,000)</u>	<u>(100,000)</u>	<u>(2,525,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 11,904</u>	340,760	<u>\$ 352,664</u>
Fund Balance:				
Beginning of year, July 1			<u>11,904</u>	
End of year, June 30			<u><u>\$ 352,664</u></u>	

NON MAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

General Capital Projects Fund

This fund is used to account for construction of various City projects to improve City parks and operational facilities.

General Capital Development Fund

This fund is used to account for federal and state grant funds and other locally funded projects for various parks and recreation projects in addition to the construction of various multi-year projects.

Imperial Theatre Capital Projects Fund

This fund is used to account for the transfers to the City's component unit.



CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Imperial Theatre Capital Project</u>	<u>Total Nonmajor Capital Project Funds</u>
Assets:				
Cash and cash equivalents/investments	\$ 913,852	\$ -	\$ -	\$ 913,852
Receivables - net:				
Ad valorem taxes	7,170	-	-	7,170
Other governmental agencies	661,493	1,106,844	-	1,768,337
Other receivables	-	98,441	-	98,441
Total assets	<u>\$ 1,582,515</u>	<u>\$ 1,205,285</u>	<u>\$ -</u>	<u>\$ 2,787,800</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	30,967	22,530	-	53,497
Deferred revenues	7,170	549,065	-	556,235
Due to other funds	-	568,617	-	568,617
Total liabilities	<u>38,137</u>	<u>1,140,212</u>	<u>-</u>	<u>1,178,349</u>
Fund Balance:				
Reserved for:				
State statute	661,493	-	-	661,493
Unreserved:				
Undesignated	882,885	65,073	-	947,958
Total fund balance	<u>1,544,378</u>	<u>65,073</u>	<u>-</u>	<u>1,609,451</u>
Total liabilities and fund balance	<u>\$ 1,582,515</u>	<u>\$ 1,205,285</u>	<u>\$ -</u>	<u>\$ 2,787,800</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	<u>General Capital Projects</u>	<u>General Capital Development Projects</u>	<u>Imperial Theatre Capital Project</u>	<u>Total Nonmajor Capital Project Funds</u>
Revenues:				
Taxes	\$ 60,721	\$ -	\$ -	\$ 60,721
Intergovernmental	626,600	1,173,743	-	1,800,343
Project	262,400	-	-	262,400
Investment earnings	13,144	-	-	13,144
Miscellaneous	-	730,919	-	730,919
Total revenues	<u>962,865</u>	<u>1,904,662</u>	<u>-</u>	<u>2,867,527</u>
Expenditures:				
Current:				
General government	25,000	-	-	25,000
Public safety	99,006	-	-	99,006
Parks and recreation	269,204	1,638,623	-	1,907,827
Public service	-	1,644,876	-	1,644,876
Debt service	671,534	-	-	671,534
Total expenditures	<u>1,064,744</u>	<u>3,283,499</u>	<u>-</u>	<u>4,348,243</u>
Revenues over (under) expenditures	<u>(101,879)</u>	<u>(1,378,837)</u>	<u>-</u>	<u>(1,480,716)</u>
Other Financing Sources (Uses):				
Transfers in	200,000	960,540	-	1,160,540
Transfers out	(230,550)	(127,825)	(30,838)	(389,213)
Installment purchase financing issued	<u>385,000</u>	<u>-</u>	<u>-</u>	<u>385,000</u>
Total other financing sources (uses)	<u>354,450</u>	<u>832,715</u>	<u>(30,838)</u>	<u>1,156,327</u>
Net change in fund balances	252,571	(546,122)	(30,838)	(324,389)
Fund Balances:				
Beginning of year - July 1	<u>1,291,807</u>	<u>611,195</u>	<u>30,838</u>	<u>1,933,840</u>
End of year - June 30	<u>\$ 1,544,378</u>	<u>\$ 65,073</u>	<u>\$ -</u>	<u>\$ 1,609,451</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS - GENERAL CAPITAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Ad valorem taxes	\$ 68,000	\$ 60,721	\$ (7,279)
Intergovernmental	676,600	626,600	(50,000)
Project	262,400	262,400	-
Investment earnings	2,000	13,144	11,144
Contributions	376,000	-	(376,000)
Total revenues	<u>1,385,000</u>	<u>962,865</u>	<u>(422,135)</u>
Expenditures:			
Capital projects:			
General government	105,950	25,000	80,950
Public safety	665,100	99,006	566,094
Parks and recreation	301,910	269,204	32,706
Community revitalization	96,900	-	96,900
Debt service	672,000	671,534	466
Total expenditures	<u>1,841,860</u>	<u>1,064,744</u>	<u>777,116</u>
Revenues over (under) expenditures	<u>(456,860)</u>	<u>(101,879)</u>	<u>354,981</u>
Other Financing Sources (Uses):			
Transfers to other funds	(241,709)	(230,550)	11,159
Transfers from other funds	200,000	200,000	-
Installment purchase financing issued	440,000	385,000	(55,000)
Appropriated fund balance	58,569	-	(58,569)
Total other financing sources (uses)	<u>456,860</u>	<u>354,450</u>	<u>(102,410)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>252,571</u>	<u>\$ 252,571</u>
Fund Balance:			
Beginning of year, July 1		<u>1,291,807</u>	
End of year, June 30		<u>\$ 1,544,378</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUND-GENERAL CAPITAL DEVELOPMENT PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Project Authorization	Prior Years	Actual Current Year	Total
Revenues:				
Intergovernmental	\$ 4,171,635	\$ 1,756,709	\$ 1,173,743	\$ 2,930,452
Investment earnings	-	61,406	-	61,406
Miscellaneous	1,488,170	685,104	730,919	1,416,023
Total revenues	5,659,805	2,503,219	1,904,662	4,407,881
Expenditures:				
Capital projects:				
Parks and recreation	17,852,124	15,800,132	1,638,623	17,438,755
Public service	4,742,073	-	1,644,876	1,644,876
Total expenditures	22,594,197	15,800,132	3,283,499	19,083,631
Revenues over (under) expenditures	(16,934,392)	(13,296,913)	(1,378,837)	(14,675,750)
Other Financing Sources (Uses):				
Transfers from other funds	3,242,217	2,408,108	960,540	3,368,648
Transfers to other funds	(127,825)		(127,825)	(127,825)
Installment purchase financing issued	13,820,000	11,500,000	-	11,500,000
Total other financing sources (uses)	16,934,392	13,908,108	832,715	14,740,823
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 611,195	(546,122)	\$ 65,073
Fund Balance:				
Beginning of year, July 1			611,195	
End of year, June 30			\$ 65,073	

Prior year numbers have been reduced by the following amounts for projects closed:

Revenues:	
Intergovernmental	\$ 71,936
Total revenues	71,936
Expenditures:	
Parks and recreation	85,936
Total expenditures	85,936
Revenues under expenditures	(14,000)
Transfers from other funds	14,000
Total	\$ -

CITY OF ROCKY MOUNT, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS - IMPERIAL THEATRE CAPITAL PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues:				
Intergovernmental	\$ 3,511,168	\$ 3,511,168	\$ -	\$ 3,511,168
Expenditures:				
Capital projects:				
Parks and recreation	<u>7,855,535</u>	<u>7,855,535</u>	<u>-</u>	<u>7,855,535</u>
Revenues over (under) expenditures	<u>(4,344,367)</u>	<u>(4,344,367)</u>	<u>-</u>	<u>(4,344,367)</u>
Other Financing Sources (Uses):				
Transfers to other funds	(30,838)	-	(30,838)	(30,838)
Transfers from other funds	<u>4,375,205</u>	<u>4,375,205</u>	<u>-</u>	<u>4,375,205</u>
Total other financing sources (uses)	<u>4,344,367</u>	<u>4,375,205</u>	<u>(30,838)</u>	<u>4,344,367</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 30,838</u>	<u>(30,838)</u>	<u>\$ -</u>
Fund Balance:				
Beginning of year, July 1			<u>30,838</u>	
End of year, June 30			<u>\$ -</u>	



ENTERPRISE FUNDS

Enterprise Funds are used to account for utility operations that are financed and operated in a manner similar to private enterprises where the intent is that the cost of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Electric Fund

This fund accounts for the operation of the City's electric power distribution system.

Gas Fund

This fund accounts for the operation of the City's natural gas distribution system.

Water Fund

This fund accounts for the operation of the City's water treatment and distribution system.

Sewer Fund

This fund accounts for the operation of the City's sewer treatment system.

Stormwater Management Fund

This fund accounts for the operation of the City's storm water management system.



CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - ELECTRIC FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive/(Negative)
Revenues:			
User charges	\$ 80,450,000	\$ 81,823,996	\$ 1,373,996
Other operating revenue	1,427,700	1,462,308	34,608
Investment earnings	332,665	559,737	227,072
Total revenues	82,210,365	83,846,041	1,635,676
Expenditures and Budgetary Appropriations:			
Distribution systems:			
Salaries	1,862,604	1,804,817	57,787
Employee benefits	555,836	597,964	(42,128)
Electric power purchase	65,850,000	65,159,110	690,890
Operating expense	6,001,556	5,627,384	374,172
Engineering:			
Salaries	651,160	648,866	2,294
Employee benefits	152,896	152,895	1
Operating expense	292,886	276,570	16,316
Utility support services:			
Salaries	166,565	166,564	1
Employee benefits	41,219	41,218	1
Operating expense	439,989	378,002	61,987
Energy services:			
Salaries	500,177	495,759	4,418
Employee benefits	123,477	125,594	(2,117)
Operating expense	1,023,698	928,883	94,815
Budgetary appropriations:			
Capital outlay	4,792,152	3,203,731	1,588,421
Debt services expenditures	695,840	555,384	140,456
Appropriation to school system	321,889	321,889	-
Total expenditures and budgetary appropriations	83,471,944	80,484,630	2,987,314
Revenues over (under) expenditures and budgetary appropriations	(1,261,579)	3,361,411	4,622,990
Other Financing Sources (Uses):			
Transfers to other funds	(1,500,000)	(1,500,000)	-
Installment purchase financing issued	1,111,000	861,000	(250,000)
Appropriated fund balance	1,650,579	-	(1,650,579)
Total other financing sources (uses)	1,261,579	(639,000)	(1,900,579)
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	\$ -	\$ 2,722,411	\$ 2,722,411

Reconciliation from Budgetary Basis**(Modified Accrual) to Full Accrual Basis:**

Revenues, other financing sources and appropriated fund balance over (under) expenditures and budgetary appropriations and other financing uses	\$ 2,722,411
Depreciation	(1,546,769)
Debt principal	511,261
Capitalized capital outlay	2,374,046
Rate stabilization	412,910
Lease proceeds	(861,000)
Change in net assets	\$ 3,612,859

CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - GAS OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive/(Negative)
Revenues:			
User charges	\$ 29,275,000	\$ 28,531,480	\$ (743,520)
Other operating revenue	10,000	16,480	6,480
Investment earnings	235,000	314,643	79,643
Total revenues	<u>29,520,000</u>	<u>28,862,603</u>	<u>(657,397)</u>
Expenditures and Budgetary Appropriations:			
Distribution systems:			
Salaries	857,331	845,818	11,513
Employee benefits	293,650	311,270	(17,620)
Natural gas purchases	23,275,000	21,229,023	2,045,977
Operating expense	3,157,330	2,744,044	413,286
Budgetary appropriations:			
Capital outlay	1,364,286	1,217,001	147,285
Debt services expenditures	62,220	62,218	2
Appropriation to school system	85,837	85,837	-
Total expenditures and budgetary appropriations	<u>29,095,654</u>	<u>26,495,211</u>	<u>2,600,443</u>
Revenues over (under) expenditures	<u>424,346</u>	<u>2,367,392</u>	<u>1,943,046</u>
Other Financing Sources (Uses):			
Transfers to other funds	(1,125,000)	(1,125,000)	-
Installment purchase financing issued	205,000	173,000	(32,000)
Appropriated fund balance	495,654	-	(495,654)
Total other financing sources (uses)	<u>(424,346)</u>	<u>(952,000)</u>	<u>(527,654)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ 1,415,392</u>	<u>\$ 1,415,392</u>

Reconciliation from Budgetary Basis**(Modified Accrual) to Full Accrual Basis:**

Revenues, other financing sources and appropriated fund balance over (under) expenditures and budgetary appropriations and other financing uses	\$ 1,415,392
Depreciation	(275,707)
Debt principal	56,962
Capitalized capital outlay	1,169,737
Reserve for rate stabilization	-
Lease proceeds	<u>(173,000)</u>
Change in net assets	<u>\$ 2,193,384</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive/(Negative)
Revenues:			
User charges	\$ 9,890,000	\$ 9,059,969	\$ (830,031)
Licenses and permits	70,000	40,597	(29,403)
Other operating revenue	109,872	193,547	83,675
Investment earnings	107,000	185,226	78,226
Total revenues	<u>10,176,872</u>	<u>9,479,339</u>	<u>(697,533)</u>
Expenditures and Budgetary Appropriations:			
Water treatment plants:			
Salaries	1,523,250	1,510,828	12,422
Employee benefits	464,505	529,506	(65,001)
Operating expense	3,450,277	3,209,501	240,776
Water services:			
Salaries	523,825	523,824	1
Employee benefits	245,180	245,180	-
Operating expense	1,390,934	1,271,969	118,965
Budgetary appropriations:			
Capital outlay	1,602,503	1,225,653	376,850
Debt services expenditures	1,349,423	1,346,162	3,261
Appropriation to school system	21,459	21,459	-
Total expenditures and budgetary appropriations	<u>10,571,356</u>	<u>9,884,082</u>	<u>687,274</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(394,484)</u>	<u>(404,743)</u>	<u>(10,259)</u>
Other Financing Sources (Uses):			
Transfers from other funds	356,000	356,000	-
Transfers to other funds	(475,000)	(475,000)	-
Appropriated fund balance	513,484	-	(513,484)
Total other financing sources (uses)	<u>394,484</u>	<u>(119,000)</u>	<u>(513,484)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ (523,743)</u>	<u>\$ (523,743)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and appropriated fund balance over (under) expenditures and budgetary appropriations and other financing uses		\$ (523,743)	
Depreciation		(1,190,500)	
Debt principal		1,141,678	
Capitalized capital outlay		<u>1,217,379</u>	
Change in net assets		<u>\$ 644,814</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive/(Negative)
Operating Revenues:			
User charges	\$ 11,000,000	\$ 10,114,902	\$ (885,098)
Licenses and permits	20,000	32,606	12,606
Other operating revenue	418,636	98,271	(320,365)
Investment earnings	70,000	102,610	32,610
Total revenues	<u>11,508,636</u>	<u>10,348,389</u>	<u>(1,160,247)</u>
Expenditures and Budgetary Appropriations:			
Waste water treatment plants:			
Salaries	1,068,204	978,244	89,960
Employee benefits	347,159	318,161	28,998
Operating expense	4,275,167	3,886,095	389,072
Sewer services:			
Salaries	633,715	598,113	35,602
Employee benefits	372,821	401,594	(28,773)
Operating expense	1,543,259	1,479,068	64,191
Budgetary appropriations:			
Capital outlay	3,032,116	964,789	2,067,327
Debt services expenditures	<u>1,824,461</u>	<u>1,658,036</u>	<u>166,425</u>
Total expenditures and budgetary appropriations	<u>13,096,902</u>	<u>10,284,100</u>	<u>2,812,802</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,588,266)</u>	<u>64,289</u>	<u>1,652,555</u>
Other Financing Sources (Uses):			
Transfer to other funds	(386,100)	(386,090)	10
Installment purchase financing issued	1,285,000	285,702	(999,298)
Appropriated fund balance	<u>689,366</u>	<u>-</u>	<u>(689,366)</u>
Total other financing sources (uses)	<u>1,588,266</u>	<u>(100,388)</u>	<u>(1,688,654)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	<u>\$ -</u>	<u>\$ (36,099)</u>	<u>\$ (36,099)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and appropriated fund balance over (under) expenditures and budgetary appropriations and other financing uses		\$ (36,099)	
Depreciation		(1,506,757)	
Debt principal		1,390,060	
Capitalized capital outlay		1,033,638	
Lease proceeds		<u>(285,702)</u>	
Change in net assets		<u>\$ 595,140</u>	

CITY OF ROCKY MOUNT, NORTH CAROLINA

ENTERPRISE FUNDS - STORMWATER MANAGEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Positive/(Negative)
Operating Revenues:			
User charges	\$ 2,712,000	\$ 2,691,342	\$ (20,658)
Investment earnings	72,000	111,921	39,921
Total revenues	<u>2,784,000</u>	<u>2,803,263</u>	<u>19,263</u>
Expenditures and Budgetary Appropriations:			
Stormwater management:			
Salaries	148,120	120,661	27,459
Employee benefits	52,754	32,812	19,942
Operating expense	508,777	474,243	34,534
Stormwater operations:			
Salaries	1,010,664	1,001,374	9,290
Employee benefits	303,405	318,721	(15,316)
Operating expense	952,400	770,427	181,973
Budgetary appropriations:			
Capital outlay	1,001,730	228,535	773,195
Debt services expenditures	<u>207,830</u>	<u>206,155</u>	<u>1,675</u>
Total expenditures and budgetary appropriations	<u>4,185,680</u>	<u>3,152,928</u>	<u>1,032,752</u>
Revenues over (under) expenditures and budgetary appropriations	<u>(1,401,680)</u>	<u>(349,665)</u>	<u>1,052,015</u>
Other Financing Sources (Uses):			
Transfers from other funds	300,000	300,000	-
Installment purchase financing issued	357,000	210,000	(147,000)
Appropriated fund balance	<u>744,680</u>	<u>-</u>	<u>(744,680)</u>
Total other financing sources (uses)	<u>1,401,680</u>	<u>510,000</u>	<u>(891,680)</u>
Revenues and other financing sources over (under) expenditures and budgetary appropriations and other financing uses	<u>-</u>	<u>\$ 160,335</u>	<u>\$ 160,335</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues, other financing sources and appropriated fund balance over (under) expenditures and budgetary appropriations and other financing uses		\$ 160,335	
Depreciation		(167,125)	
Debt principal		194,315	
Capitalized capital outlay		214,456	
Lease proceeds		<u>(210,000)</u>	
Change in net assets		<u>\$ 191,981</u>	



INTERNAL SERVICE FUND

The Internal Service fund is used to account for intragovernmental services or any shared type service. One internal service fund is established to manage the City's self insurance revenues and expenditures for the organization.



CITY OF ROCKY MOUNT, NORTH CAROLINA

INTERNAL SERVICE FUND- RISK MANAGEMENT
 SCHEDULE OF REVENUES AND EXPENDITURES
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 YEAR ENDED JUNE 30, 2008

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive/(Negative)</u>
Revenues:			
Insurance premiums	\$ 5,484,800	\$ 5,161,668	\$ (323,132)
Expenditures:			
Insurance claims	5,445,950	4,124,611	1,321,339
Administrative fees	-	837,400	(837,400)
Total expenditures	<u>5,445,950</u>	<u>4,962,011</u>	<u>483,939</u>
Revenues over (under) expenditures	<u>38,850</u>	<u>199,657</u>	<u>160,807</u>
Other Financing Sources (Uses):			
Transfers from other funds	<u>(38,850)</u>	<u>(38,350)</u>	<u>500</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>161,307</u>	<u>\$ 161,307</u>
Fund Balance:			
Beginning of year, July 1		<u>754,840</u>	
End of year, June 30		<u>\$ 916,147</u>	



AGENCY FUNDS

Agency Funds are used to account for transactions related to assets held by the City as an agency for individuals and/or other governmental units.



CITY OF ROCKY MOUNT, NORTH CAROLINA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

JUNE 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
Community Development and Governmental Activities Fund:				
Assets:				
Cash and cash equivalents	\$ 455,030	\$ 218,751	\$ 336,563	\$ 337,217
Total assets	<u>\$ 455,030</u>	<u>\$ 218,751</u>	<u>\$ 336,563</u>	<u>\$ 337,217</u>
Liabilities:				
Accounts payable	\$ 1,873	\$ -	\$ 1,873	\$ -
Due to other governmental agency	453,157	218,751	334,691	337,217
Total liabilities	<u>\$ 455,030</u>	<u>\$ 218,751</u>	<u>\$ 336,564</u>	<u>\$ 337,217</u>



OTHER SUPPLEMENTAL SCHEDULES

The information in this section includes supplemental information about the City of Rocky Mount.

CITY OF ROCKY MOUNT, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE-GENERAL FUND
JUNE 30, 2008

Year	Uncollected Balance July 1, 2007	Additions and Refunds	Collections and Credits	Uncollected Balance June 30, 2008
2007-2008		\$ 17,776,459	\$ 16,811,691	\$ 964,767
2006-2007	\$ 792,316	337,194	661,017	468,493
2005-2006	376,324	2,103	136,938	241,489
2004-2005	213,960	567	35,625	178,902
2003-2004	197,742	1,228	22,701	176,269
2002-2003	190,226	72	17,139	173,159
2001-2002	137,114	-	12,334	124,780
2000-2001	131,917	-	17,336	114,581
1999-2000	117,833	-	6,580	111,253
1998-1999	87,853	-	3,975	83,878
1997-1998	80,479	-	31,340	49,139
1996-1997	39,729	-	26,997	12,732
1995-1996	15,771	-	15,771	-
	<u>\$ 2,381,264</u>	<u>\$ 18,117,623</u>	<u>\$ 17,799,444</u>	<u>2,699,442</u>

Allowance for uncollectible ad valorem taxes receivable (960,450)

Ad valorem taxes receivable, net \$ 1,738,992

Reconciliation with Revenues:

Taxes \$ 17,851,030
 Penalties and interest (186,917)
 Total 17,664,113

Ad valorem taxes (excluding penalties and interest)
 Current year 17,272,092
 Prior years 392,021
17,664,113

Releases and transfers from interest 25,902
 Other 109,429

Total collections and credits \$ 17,799,444

CITY OF ROCKY MOUNT, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR YEAR ENDED JUNE 30, 2008

			Total Levy		
	Valuation	Tax Rate Per \$100 Valuation	Tax Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate:					
Real property	\$ 2,396,397,707	\$ 0.55	\$ 13,180,194	\$ 13,180,194	\$ -
Personal property	745,487,596	0.55	4,100,188	2,330,941	1,769,247
Public service property	75,771,543	0.55	416,743	416,743	-
	<u>3,217,656,846</u>		<u>17,697,125</u>	<u>15,927,878</u>	<u>1,769,247</u>
Discoveries	2,444,798	0.50	12,225	12,225	-
Discoveries	734,354	0.48	3,525	3,525	-
Discoveries	3,023,769	0.55	16,631	16,631	-
Refunds	8,536,947	0.55	46,953	46,953	-
Total property valuation	<u>\$ 3,232,396,714</u>				
Net levy			17,776,459	16,007,212	1,769,247
Uncollected taxes at June 30, 2007			<u>964,767</u>	<u>542,595</u>	<u>422,172</u>
Current year's taxes collected			<u>\$ 16,811,692</u>	<u>\$ 15,464,617</u>	<u>\$ 1,347,075</u>
Percent of current year taxes collected			<u>94.57%</u>	<u>96.61%</u>	<u>76.14%</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

SCHEDULE OF INTERFUND TRANSFERS
FOR THE YEAR ENDED JUNE 30, 2008

Transfers to Fund:	General Fund	Special Revenue Funds	Capital Project Funds	
			General Capital Projects Fund	General Capital Development Projects Fund
General	\$ -	\$ 1,348,063	\$ -	\$ 158,663
Stormwater	300,000	-	-	-
Water	-	-	-	-
Capital Project Funds:				
General Capital Projects	200,000	-	-	-
Capital Development	730,000	-	230,550	-
Special Revenue Funds:				
Entitlement Grants	140,923	-	-	-
Public Transportation	253,672	-	-	-
Economic Development	-	-	-	-
Crime/Safety Control	3,500	-	-	-
Total	<u>\$ 1,628,095</u>	<u>\$ 1,348,063</u>	<u>\$ 230,550</u>	<u>\$ 158,663</u>

Enterprise Funds

<u>Electric</u>	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Risk Management</u>	<u>Total</u>
\$ 1,500,000	\$ 1,125,000	\$ 475,000	\$ -	\$ 38,350	\$ 4,645,075
-	-	-	-	-	300,000
-	-	-	356,000	-	356,000
-	-	-	-	-	200,000
-	-	-	(10)	-	960,540
-	-	-	-	-	140,923
-	-	-	-	-	253,672
-	-	-	30,100	-	30,100
-	-	-	-	-	3,500
<u>\$ 1,500,000</u>	<u>\$ 1,125,000</u>	<u>\$ 475,000</u>	<u>\$ 386,090</u>	<u>\$ 38,350</u>	<u>\$ 6,889,811</u>



**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**



CITY OF ROCKY MOUNT, NORTH CAROLINA

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>2008</u>	<u>2007</u>
Governmental Fund Capital Assets:		
Land and land improvements	\$ 26,237,791	\$ 24,425,600
Buildings	49,337,601	48,821,519
Equipment	35,455,211	35,754,841
Infrastructure	41,409,873	40,810,434
Construction in progress	227,368	244,434
Total governmental funds capital assets	<u>\$ 152,667,844</u>	<u>\$ 150,056,828</u>
 Investment in Governmental Funds Capital Assets by Source:		
General Fund	\$ 136,609,937	\$ 133,821,543
Special revenue funds	3,629,514	3,935,559
Joint Venture - Racy Mount/Wilson Airport	12,428,393	12,299,726
Total governmental funds capital assets	<u>\$ 152,667,844</u>	<u>\$ 150,056,828</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY FUNCTION AND ACTIVITY JUNE 30, 2008

	Land and Land Improvements	Buildings	Equipment
General Government:			
Mayor and Council	\$ 2,625,575	\$ 281,112	\$ 12,486
City Clerk	1,713,404	142,691	64,332
City Manager	-	17,238	113,642
Finance	3,207	101,401	5,402,533
Central services	1,245,002	22,450,436	844,698
Human resources	-	5,228	12,115
Total general government	<u>5,587,188</u>	<u>22,998,106</u>	<u>6,449,806</u>
Transit	<u>62,267</u>	<u>-</u>	<u>3,567,247</u>
Public Safety:			
Police	7,239	255,183	4,943,560
Fire	<u>63,312</u>	<u>4,952,216</u>	<u>5,863,365</u>
Total public safety	<u>70,551</u>	<u>5,207,399</u>	<u>10,806,925</u>
Public works	<u>891,069</u>	<u>3,237,789</u>	<u>10,057,403</u>
Engineering	<u>-</u>	<u>86,441</u>	<u>1,116,272</u>
Parks and recreation	<u>18,126,928</u>	<u>7,438,216</u>	<u>2,898,603</u>
Airport	<u>1,499,788</u>	<u>10,369,650</u>	<u>558,955</u>
Total general capital assets	<u>\$ 26,237,791</u>	<u>\$ 49,337,601</u>	<u>\$ 35,455,211</u>

Note: Amounts presented above exclude accumulated depreciation.

Schedule J-2

<u>Infrastructure</u>	<u>Construction In Progress</u>	<u>Total</u>
\$ -	\$ -	\$ 2,919,173
-	-	1,920,427
-	-	130,880
-	-	5,507,141
754,987	-	25,295,123
-	-	17,343
<u>754,987</u>	<u>-</u>	<u>35,790,087</u>
 -	 -	 3,629,514
 -	 51,867	 5,257,849
<u>-</u>	<u>-</u>	<u>10,878,893</u>
<u>-</u>	<u>51,867</u>	<u>16,136,742</u>
 <u>39,556,621</u>	 <u>-</u>	 <u>53,742,882</u>
 -	 -	 1,202,713
<u>1,098,265</u>	<u>175,501</u>	<u>29,737,513</u>
<u>-</u>	<u>-</u>	<u>12,428,393</u>
<u>\$ 41,409,873</u>	<u>\$ 227,368</u>	<u>152,667,844</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
General Government:				
Mayor and Council	\$ 2,919,173	\$ -	\$ -	\$ 2,919,173
City Clerk	1,507,897	423,430	10,900	1,920,427
City Manager	100,320	39,346	8,786	130,880
Finance	5,742,480	192,311	427,650	5,507,140
Central services	25,206,443	89,378	700	25,295,121
Human resources	28,291	350	11,296	17,345
Total general government	<u>35,504,604</u>	<u>744,815</u>	<u>459,332</u>	<u>35,790,087</u>
Transit	<u>3,935,559</u>	<u>228,369</u>	<u>534,415</u>	<u>3,629,514</u>
Public Safety:				
Police	5,058,455	413,799	214,405	5,257,849
Fire	10,939,598	65,467	126,172	10,878,893
Total public safety	<u>15,998,053</u>	<u>479,266</u>	<u>340,577</u>	<u>16,136,742</u>
Public works	<u>53,255,686</u>	<u>1,542,498</u>	<u>1,055,301</u>	<u>53,742,883</u>
Engineering	<u>1,199,412</u>	<u>52,795</u>	<u>49,495</u>	<u>1,202,712</u>
Parks and recreation	<u>27,863,788</u>	<u>2,075,547</u>	<u>201,822</u>	<u>29,737,513</u>
Airport	<u>12,299,726</u>	<u>128,667</u>	<u>-</u>	<u>12,428,393</u>
Total general fixed assets	<u>\$ 150,056,828</u>	<u>\$ 5,251,957</u>	<u>\$ 2,640,941</u>	<u>\$ 152,667,844</u>

Note: Amounts presented above exclude accumulated depreciation

STATISTICAL SECTION

(Unaudited)

Schedules presented in the Statistical Section differ from financial statements because they usually cover more than one fiscal year and may present nonaccounting data. The Statistical Section reflects social and economic data, financial trends and the fiscal capacity of the City.

Content

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source(s).

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF ROCKY MOUNT, NORTH CAROLINA

NET ASSETS BY COMPONENT

Last Seven Fiscal Years

(accrual basis of accounting)

	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities							
Invested in capital assets, net of related debt	\$ 64,765,579	\$ 75,228,740	\$ 66,546,488	\$ 76,857,173	\$ 81,060,633	\$ 81,922,916	\$ 82,173,537
Restricted	8,553,951	7,250,811	22,691,297	11,508,838	6,598,151	1,655,857	2,369,078
Unrestricted	26,949,295	20,290,635	15,538,639	16,957,667	18,404,926	24,105,474	26,804,792
Total governmental activities net assets	<u>\$ 100,268,825</u>	<u>\$ 102,770,186</u>	<u>\$ 104,776,424</u>	<u>\$ 105,323,678</u>	<u>\$ 106,063,710</u>	<u>\$ 107,684,247</u>	<u>\$ 111,347,407</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 94,318,972	\$ 103,171,226	\$ 101,634,397	\$ 97,762,992	101,764,488	\$ 107,764,319	\$ 109,732,430
Restricted	1,970,295	-	-	-	-	-	-
Unrestricted	10,043,856	8,945,229	12,576,271	20,060,100	20,982,144	22,720,072	27,990,145
Total business-type activities	<u>\$ 106,333,123</u>	<u>\$ 112,116,455</u>	<u>\$ 114,210,668</u>	<u>\$ 117,823,092</u>	<u>\$ 122,746,632</u>	<u>\$ 130,484,391</u>	<u>\$ 137,722,575</u>
Primary government							
Invested in capital assets, net of related debt	\$ 159,084,551	\$ 178,399,966	\$ 168,180,885	\$ 174,620,165	\$ 182,825,121	\$ 189,687,235	\$ 191,905,967
Restricted	10,524,246	7,250,811	22,691,297	11,508,838	6,598,151	1,655,857	2,369,078
Unrestricted	36,993,151	29,235,864	28,114,910	37,017,767	39,387,070	46,825,546	54,794,937
Total primary government net assets	<u>\$ 206,601,948</u>	<u>\$ 214,886,641</u>	<u>\$ 218,987,092</u>	<u>\$ 223,146,770</u>	<u>\$ 228,810,342</u>	<u>\$ 238,168,638</u>	<u>\$ 249,069,982</u>
City of Rocky Mount Theatre, LLC							
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 724,066	\$ 1,122,029	\$ 898,194
Restricted	-	-	-	6,541,494	205,342	172,397	139,451
Unrestricted	-	-	-	-	(156,261)	100	100
Total City of Rocky Mount Theatre, LLC net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,541,494</u>	<u>\$ 773,147</u>	<u>\$ 1,294,526</u>	<u>\$ 1,037,745</u>

Source: Audited Annual financial reports for the City of Rocky Mount

Note: Data is presented beginning with the fiscal year GASB Statement Number 34 was implemented.

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGE IN NET ASSETS

Last Ten Fiscal Years

(accrual basis of accounting)

	1999	2000	2001	Fiscal Year		2003	2004	2005	2006	2007	2008
Expenses											
Governmental activities:											
General government											
Public safety	\$ 8,759,246	\$ 11,565,140	\$ 16,192,131	\$ 10,456,214	\$ 7,965,851	\$ 7,447,378	\$ 5,134,845	\$ 5,828,638	\$ 5,828,638	\$ 5,828,638	\$ 6,637,786
Public Works	14,063,200	14,019,034	15,218,255	16,547,845	17,290,858	19,046,410	20,571,641	20,528,191	20,571,641	20,528,191	21,873,680
Engineering	7,920,241	8,794,122	9,488,276	7,239,307	7,770,378	7,839,918	8,603,328	8,154,328	8,603,328	8,154,328	8,722,496
Parks and recreation	667,788	674,791	826,250	670,185	939,353	1,052,631	939,634	984,492	939,634	984,492	1,139,983
Public Service	3,246,127	3,227,501	3,892,579	4,438,203	3,598,902	5,312,167	9,217,034	8,241,393	9,217,034	8,241,393	7,844,487
Emergency management	8,153,194	5,688,012	6,434,759	4,935,785	6,668,176	4,722,023	4,861,481	4,944,155	3,354,839	4,944,155	5,629,301
Hazard mitigation	-	7,549,533	1,949,401	1,284,794	1,087,972	-	2,263,801	-	-	-	-
Community revitalization	-	-	27,594,527	23,977,937	5,848,692	462,728	344,245	-	344,245	-	-
Interest on Long-term debt	1,036,315	2,346,699	2,354,729	2,827,927	1,106,614	2,964,035	2,690,132	1,823,575	2,690,132	1,823,575	1,948,078
Total governmental activities expenses	41,376	79,520	120,820	359,316	615,190	428,682	314,257	460,662	314,257	460,662	487,768
Business-type activities:											
Electric	43,887,487	53,994,352	84,071,727	72,737,513	52,891,986	49,275,972	54,800,823	50,916,521	51,961,832	50,916,521	54,283,578
Gas	60,756,265	63,267,703	63,120,312	63,108,978	67,981,845	69,881,791	74,817,488	78,320,332	74,817,488	78,320,332	78,733,182
Water	12,280,932	15,325,429	24,014,136	15,799,765	17,768,879	21,394,773	24,556,908	30,983,889	30,983,889	27,016,418	25,544,219
Sewer	6,326,733	7,472,626	8,410,813	9,745,637	7,925,757	8,555,812	8,289,814	8,499,790	8,499,790	8,817,067	8,715,519
Storm Water Management	7,824,585	8,230,173	8,926,129	9,464,318	9,291,806	9,470,920	9,826,701	9,658,399	9,826,701	9,658,399	9,367,159
Total business-type activities expenses	-	-	-	47,207	397,253	2,394,578	2,483,293	2,600,592	2,600,592	2,748,537	2,911,282
Total governmental activities expenses	87,188,515	94,295,931	104,471,390	98,165,905	103,365,540	111,697,874	126,728,460	126,560,753	126,728,460	126,560,753	125,271,361
Total primary government expenses	\$ 131,076,002	\$ 148,290,283	\$ 188,543,117	\$ 170,903,418	\$ 156,257,526	\$ 160,973,846	\$ 178,690,292	\$ 177,477,274	\$ 178,690,292	\$ 177,477,274	\$ 179,554,939
Program Revenues											
Governmental activities:											
Charges for services:											
General government	704,931	854,990	984,596	2,230,808	5,468,927	6,180,013	6,038,496	1,183,833	6,038,496	3,221,954	2,319,466
Public Safety	-	-	-	456,322	754,530	800,098	813,507	375,831	375,831	578,729	404,249
Public Works	3,540,640	3,791,380	4,256,544	4,654,684	5,339,853	5,077,156	4,377,217	5,521,528	5,521,528	5,781,811	6,027,232
Recreation	395,590	251,534	316,986	636,783	481,227	575,445	551,449	667,022	667,022	1,125,845	924,160
Public Service	-	-	-	217,787	120,443	175,941	183,969	5,967	5,967	1,500,327	1,598,478
Other activities	541,787	360,353	731,319	162,533	3,938	5,240	116,612	-	-	52,786	14,692
Operating grants and contributions	11,218,985	14,121,259	37,188,488	40,692,842	18,354,723	9,251,060	6,979,532	7,373,708	6,979,532	7,373,708	5,751,657
Capital grants and contributions	-	-	-	-	-	-	-	3,435,584	3,435,584	1,448,987	2,813,051
Total governmental activities program revenues	16,401,933	19,379,516	43,477,933	49,051,759	30,523,641	22,064,953	23,798,162	21,084,147	23,798,162	21,084,147	19,852,985
Business-type activities:											
Charges for services:											
Electric	65,457,767	61,493,313	62,597,012	63,314,751	68,933,540	70,818,385	70,680,615	83,074,744	70,680,615	83,074,744	83,286,304
Gas	14,519,911	16,684,499	24,530,267	16,212,913	19,470,776	23,173,028	27,176,264	29,526,454	27,176,264	29,526,454	28,547,960
Water	8,100,793	7,838,343	8,040,120	8,753,499	8,582,464	8,837,653	9,060,972	9,512,039	9,060,972	9,512,039	9,294,113
Sewer	8,939,095	8,867,975	9,492,301	10,250,919	9,091,467	8,723,827	9,230,978	10,601,619	9,230,978	10,601,619	10,245,779
Storm Water Management	-	-	-	-	2,020	2,366,558	2,673,764	2,666,750	2,673,764	2,666,750	2,691,342
Operating grants and contributions	-	-	-	14,881	499,791	296,007	50,000	-	50,000	-	-
Capital grants and contributions	-	1,200	183,525	373,726	166,740	47,975	-	-	-	-	-
Total business-type activities program revenues	97,017,566	94,885,330	104,843,225	98,920,689	106,746,798	114,263,433	118,669,719	135,381,606	118,669,719	135,381,606	134,065,498
Total primary government program revenues	\$ 113,419,499	\$ 114,264,846	\$ 148,321,158	\$ 147,972,448	\$ 137,270,439	\$ 136,328,386	\$ 142,467,881	\$ 156,465,753	\$ 150,583,471	\$ 156,465,753	\$ 153,918,483

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGE IN NET ASSETS Last Ten Fiscal Years (accrual basis of accounting)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net (expense)/revenue										
Governmental activities	(27,485,554)	(34,614,836)	(40,593,794)	(23,685,754)	(22,368,345)	(27,211,019)	(31,002,661)	(33,792,535)	(29,832,374)	(34,430,593)
Business-type activities	9,829,051	589,399	371,835	754,784	3,381,258	2,565,559	4,868,829	5,685,714	8,820,853	8,794,137
Total primary government net expense	<u>\$ (17,656,503)</u>	<u>\$ (34,025,437)</u>	<u>\$ (40,221,959)</u>	<u>\$ (22,930,970)</u>	<u>\$ (18,987,087)</u>	<u>\$ (24,645,460)</u>	<u>\$ (26,133,832)</u>	<u>\$ (28,106,821)</u>	<u>\$ (21,011,521)</u>	<u>\$ (25,636,456)</u>
Component unit:										
City of Rocky Mount Theatre, LLC										
Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(99,747)	\$ (265,087)	\$ (263,362)
Investment earnings	-	-	-	-	-	-	-	20,755	1,557	-
Operating grants and contributions	-	-	-	-	-	-	3,675,205	-	784,909	6,581
Capital grants and contributions	-	-	-	-	-	-	2,866,289	852,039	-	-
Total City of Rocky Mount Theatre, LLC	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,541,494</u>	<u>\$ 773,047</u>	<u>\$ 521,379</u>	<u>\$ (256,781)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Ad valorem taxes	11,859,639	\$ 11,866,363	\$ 11,956,676	\$ 13,927,812	\$ 14,557,102	\$ 15,125,425	\$ 15,473,269	\$ 15,539,062	\$ 17,658,024	\$ 18,188,521
Local option taxes	4,960,800	7,548,410	5,541,623	7,108,787	8,312,645	9,218,640	9,940,317	10,444,807	8,269,778	10,092,744
Alcoholic beverage taxes	32,055	36,074	57,430	48,015	41,181	35,424	43,801	42,158	-	-
Other taxes	5,199,990	5,262,093	5,204,563	2,369,740	2,380,508	2,394,114	2,523,858	5,000,150	3,475,190	3,383,805
Investment earnings	1,024,282	1,413,434	1,235,917	438,519	315,810	281,293	571,906	953,803	1,554,069	980,278
Miscellaneous	3,488,778	13,598,737	4,434,935	1,838,285	1,507,250	1,584,818	1,550,358	(406,432)	460,298	2,618,315
Transfers	3,952,600	4,092,898	4,136,585	3,437,735	(2,244,790)	577,543	1,446,406	1,646,500	2,212,445	2,830,090
Total governmental activities	<u>30,518,144</u>	<u>43,818,009</u>	<u>32,567,729</u>	<u>29,168,893</u>	<u>24,869,706</u>	<u>29,217,257</u>	<u>31,549,915</u>	<u>33,220,048</u>	<u>33,629,804</u>	<u>38,093,753</u>
Business-type activities										
Investment earnings	698,654	231,755	714,322	269,709	157,284	106,197	190,001	884,326	1,244,435	1,274,137
Transfers	(3,952,600)	(4,092,898)	(4,136,585)	(3,437,735)	2,244,790	(577,543)	(1,446,406)	(1,646,500)	(2,212,445)	(2,830,090)
Total business-type activities	<u>(3,253,946)</u>	<u>(3,861,143)</u>	<u>(3,422,263)</u>	<u>(3,168,026)</u>	<u>2,402,074</u>	<u>(471,346)</u>	<u>(1,256,405)</u>	<u>(762,174)</u>	<u>(968,010)</u>	<u>(1,555,953)</u>
Total primary government	<u>\$ 27,264,198</u>	<u>\$ 39,956,866</u>	<u>\$ 29,145,466</u>	<u>\$ 26,000,867</u>	<u>\$ 27,271,780</u>	<u>\$ 28,745,911</u>	<u>\$ 30,293,510</u>	<u>\$ 32,457,874</u>	<u>\$ 32,661,794</u>	<u>\$ 36,537,800</u>
Change in Net Assets										
Governmental activities	3,032,590	9,203,173	(8,026,065)	5,483,139	2,501,361	2,006,238	547,254	(572,487)	3,797,430	3,663,160
Business-type activities	6,575,105	(3,271,744)	(3,050,428)	(2,413,242)	5,783,332	2,094,213	3,612,424	4,923,540	7,852,843	7,238,184
Total primary government	<u>\$ 9,607,695</u>	<u>\$ 5,931,429</u>	<u>\$ (11,076,493)</u>	<u>\$ 3,069,897</u>	<u>\$ 8,284,693</u>	<u>\$ 4,100,451</u>	<u>\$ 4,159,678</u>	<u>\$ 4,351,053</u>	<u>\$ 11,650,273</u>	<u>\$ 10,901,344</u>
Total City of Rocky Mount Theatre, LLC	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,541,494</u>	<u>\$ 773,047</u>	<u>\$ 521,379</u>	<u>\$ (256,781)</u>

Source: Audited annual financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund										
Reserved	\$ 4,187,859	\$ 9,134,951	\$ 11,029,686	\$ 8,235,220	\$ 6,456,306	\$ 7,381,918	\$ 8,267,350	\$ 7,181,018	\$ 11,340,732	\$ 11,131,999
Unreserved	11,743,655	9,751,041	6,590,128	8,100,535	11,208,057	9,810,279	9,275,498	10,754,957	11,390,174	15,165,835
Total General Fund	\$ 15,931,514	\$ 18,885,992	\$ 17,619,814	\$ 16,335,755	\$ 17,664,363	\$ 17,192,197	\$ 17,542,848	\$ 17,935,975	\$ 22,730,906	\$ 26,297,834
All other governmental funds										
Reserved	\$ 5,659,743	\$ 7,005,204	\$ 11,293,362	\$ 12,922,826	\$ 11,526,310	\$ 18,743,796	\$ 11,644,858	\$ 6,765,398	\$ 1,564,285	\$ 730,296
Unreserved, reported in:										
Special revenue funds	265,418	(1,244,559)	(6,645,737)	(1,708,564)	(823,773)	3,711,268	1,406,578	862,741	1,842,385	1,336,395
Capital projects funds	170,052	6,583,263.0	936,396	1,163,555	1,121,206	236,233	(1,542,598)	(1,029,988)	488,298	947,958
Total all other governmental funds	\$ 6,095,213	\$ 12,343,908	\$ 5,584,021	\$ 12,377,817	\$ 11,823,743	\$ 22,691,297	\$ 11,508,838	\$ 6,598,151	\$ 3,894,968	\$ 3,014,649
Total governmental funds	\$ 22,026,727	\$ 31,229,900	\$ 23,203,835	\$ 28,713,572	\$ 29,488,106	\$ 39,883,494	\$ 29,051,686	\$ 24,534,126	\$ 26,625,874	\$ 29,312,483

Source: Audited Annual financial reports for the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues										
Ad valorem taxes	\$ 11,859,639	\$ 11,866,363	\$ 11,956,676	\$ 13,325,153	\$ 14,520,896	\$ 15,166,045	\$ 15,480,246	\$ 15,539,062	\$ 17,557,400	\$ 17,911,751
Intergovernmental revenues	20,703,378	26,664,597	47,358,348	45,515,241	29,970,198	22,271,559	25,003,998	22,438,252	21,627,094	22,735,263
Licenses and permits	704,931	854,990	984,596	1,018,506	1,014,465	959,509	1,062,447	1,154,278	1,093,244	1,065,569
Sales and services	4,478,017	4,403,267	5,304,849	5,585,671	6,412,018	6,287,858	5,776,514	7,087,149	7,440,276	7,088,107
Investment earnings	1,024,282	1,413,434	1,235,917	543,329	386,621	325,595	571,907	953,803	1,137,780	980,278
Contributions	-	-	-	-	-	-	-	1,750	-	-
Project revenue	708,452	303,239	633,756	798,228	639,197	755,317	953,509	1,956,496	2,248,049	2,240,943
Miscellaneous	1,970,178	5,308,462	3,689,830	7,292,006	1,728,283	1,515,686	1,616,700	1,328,766	1,167,288	1,839,066
Total revenues	41,448,877	50,814,352	71,163,972	74,078,134	54,671,678	47,281,569	50,465,321	50,459,556	52,271,131	53,860,977

Expenditures

Current:

General government	4,739,575	5,262,808	5,148,988	4,726,847	4,668,845	4,035,859	5,158,843	4,699,327	4,962,300	5,443,209
Public safety	13,550,718	14,017,746	15,218,255	15,717,144	16,565,970	18,364,648	18,942,217	19,243,723	19,847,153	21,299,722
Public service	4,492,172	3,383,917	5,042,046	5,881,541	8,383,109	4,404,003	6,556,720	4,989,178	4,907,501	3,801,544
Public works	7,920,241	8,794,122	9,488,276	8,715,214	8,660,280	8,683,760	8,163,894	8,407,965	8,687,750	8,749,217
Engineering	667,788	674,791	826,250	767,112	903,440	990,811	1,091,174	1,012,595	983,545	1,139,983
Parks and recreation	3,246,127	3,277,501	3,892,579	4,000,232	3,853,802	4,459,702	5,320,805	5,205,534	6,986,768	6,834,700
Community revitalization	1,036,315	2,346,699	2,354,729	2,583,532	1,432,762	3,008,056	2,702,468	2,690,490	1,823,575	1,948,078
Emergency management	-	7,549,533	1,949,401	1,284,794	1,087,972	-	2,263,801	-	-	-
Hazard Mitigation	-	-	27,594,527	23,979,181	5,847,233	469,501	93,386	344,245	-	-
Capital projects:										
General government	3,206,107	4,766,012	8,845,997	1,103,937	60,052	31,604	34,323	136,122	117,391	25,000
Public safety	512,482	1,288	-	560,155	951,801	944,470	413,219	65,665	875,842	99,006
Parks and recreation	-	-	-	1,720,458	2,405,976	2,461,473	10,643,850	10,254,898	1,044,288	1,907,827
Public service	3,661,022	2,304,095	1,392,713	101,110	92,048	217,888	47,341	2,763	36,654	1,644,876
Debt service:										
Principal	813,564	1,536,320	2,197,146	2,179,559	1,443,233	1,938,575	2,629,979	2,481,687	2,690,399	2,247,878
Interest	41,376	79,520	120,820	359,316	615,190	428,682	314,257	1,106,418	460,662	487,768
Total expenditures	\$ 43,887,487	\$ 53,994,352	\$ 84,071,727	\$ 73,680,132	\$ 56,971,713	\$ 50,439,032	\$ 64,376,277	\$ 60,640,610	\$ 53,423,828	\$ 55,628,808

Excess of revenues over (under) expenditures

(2,438,610) (3,180,000) (12,907,755) 398,002 (2,300,035) (3,157,463) (13,910,956) (10,181,054) (1,152,697) (1,767,831)

CITY OF ROCKY MOUNT, NORTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Other financing sources (uses)										
Transfers in	\$ 4,676,484	\$ 5,159,217	\$ 5,259,540	\$ 4,048,781	\$ 4,215,042	\$ 3,648,625	\$ 3,906,689	\$ 3,934,664	\$ 4,071,907	\$ 6,233,811
Transfers out	(723,884)	(1,066,319)	(1,122,955)	(611,046)	(1,898,473)	(2,669,775)	(2,460,283)	(2,288,164)	(1,859,462)	(3,365,371)
Capital contributions	-	-	-	-	-	-	100,388	-	-	-
Proceeds from installment purchase agreement	1,518,600	8,290,275	745,105	1,674,000	758,000	12,574,001	1,532,354	725,000	1,032,000	1,586,000
Total other financing sources (uses)	5,471,200	12,383,173	4,881,690	5,111,735	3,074,569	13,552,851	3,079,148	2,371,500	3,244,445	4,454,440
Net change in fund balance	\$ 3,032,590	\$ 9,203,173	\$ (8,026,065)	\$ 5,509,737	\$ 774,534	\$ 10,395,388	\$ (10,831,808)	\$ (7,809,554)	\$ 2,091,748	\$ 2,686,609

Debt service as a percentage of non-capital expenditures:

Total debt service	\$ 854,940	\$ 1,615,840	\$ 2,317,966	\$ 2,538,875	\$ 2,058,423	\$ 2,367,257	\$ 2,944,236	\$ 3,588,105	\$ 3,151,061	\$ 2,735,646
Total expenditures	43,887,487	53,994,352	84,071,727	73,680,132	56,971,713	50,439,032	64,376,277	60,640,610	53,423,828	55,628,808
Capital outlay primary government only	9,595,974	11,531,331	15,035,847	11,105,576	7,887,858	6,978,233	14,855,440	10,010,640	5,283,290	4,528,713
Non-capital expenditures	\$ 34,291,513	\$ 42,463,021	\$ 69,035,880	\$ 62,574,556	\$ 49,083,855	\$ 43,460,799	\$ 49,520,837	\$ 50,629,970	\$ 48,140,538	\$ 51,100,095

Debt service as a percentage of non-capital expenditures

2.49%	3.81%	3.36%	4.06%	4.19%	5.45%	5.95%	7.09%	6.55%	5.35%
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CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	General Government	Public Service	Public Works and Engineering	Parks & Recreation	Emergency Management		Community Revitalization	Capital Projects	Debt Service	Total Expenditures
					Hazard Mitigation					
1999	4,739,575	13,550,718	8,588,029	3,246,127	-		1,036,315	7,379,611	854,940	43,887,487
2000	5,262,808	14,017,746	9,468,913	3,277,501	7,549,533		2,346,699	7,071,395	1,615,840	53,994,352
2001	5,148,988	15,218,255	10,314,526	3,892,579	29,543,928		2,354,729	10,238,710	2,317,966	84,071,727
2002	5,830,784	16,277,299	9,482,326	5,720,690	25,263,975		2,583,532	-	2,538,875	73,680,132
2003	4,728,897	17,517,771	9,563,720	6,259,778	6,935,205		1,432,762	-	2,058,423	56,971,713
2004	4,067,463	19,309,118	9,674,571	6,921,175	469,501		3,008,056	-	2,367,257	50,439,032
2005	5,193,166	19,355,436	9,255,068	15,964,655	2,357,187		2,702,468	-	2,944,236	64,376,277
2006	4,835,449	19,309,388	9,420,560	15,460,432	344,245		2,690,490	-	3,588,105	60,640,610
2007	5,079,691	20,722,995	9,671,295	8,031,056	-		1,823,575	-	3,151,061	53,423,828
2008	5,468,209	21,398,728	9,889,200	8,742,527	-		1,948,078	-	2,735,646	55,628,808

Source: Audited annual financial reports of the City of Rocky Mount
Includes General, Special Revenue, and Capital Projects funds

*Beginning with 2001-2002, the City allocated its capital project expenditures to functional areas in accordance with GASB34.

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE Last Ten Fiscal Years

Fiscal Year	Ad Valorem Taxes	Local Option Sales Tax	Franchise Tax	Tele- Communications Tax	Inventory Tax	Beer & Wine Tax	Intangibles Tax Reimbursement	Licenses Permits & Other Taxes	Total Tax Revenues
1999	11,859,639	6,681,800	2,477,799	-	763,034	243,457	475,680	704,931	22,261,970
2000	11,866,363	9,048,410	2,414,525	-	762,327	248,341	479,025	854,990	25,673,981
2001	11,956,676	7,141,623	2,337,740	-	756,330	252,692	460,426	984,596	23,890,083
2002	13,325,153	6,727,074	1,451,108	109,789	373,211	0	452,359	1,018,506	23,457,200
2003	14,453,446	6,988,835	2,092,717	674,218	-	237,060	-	1,014,465	25,460,741
2004	15,096,358	7,780,851	2,114,785	643,218	-	241,192	-	959,509	26,835,913
2005	15,410,242	8,484,481	2,156,778	690,000	-	248,474	-	1,062,447	28,052,422
2006	15,471,066	8,645,938	2,286,691	649,543	-	248,713	-	1,154,278	28,456,229
2007	17,489,699	9,114,179	2,139,942	892,825	-	254,360	-	1,093,244	30,984,249
2008	17,851,029	9,466,144	2,415,663	836,645	-	259,635	-	1,065,569	30,829,116

Source: Audited annual financial reports of the City of Rocky Mount

Note: Ad valorem taxes includes penalties & interest

CITY OF ROCKY MOUNT, NORTH CAROLINA

GENERAL GOVERNMENTAL REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Ad Valorem Taxes	Tele-communication Tax	Inter-Governmental Revenue	Licenses & Permits	Sales and Services	Project Revenue	Investment Earnings	Other Revenue	Total Revenues
1999	11,859,639	-	20,703,378	704,931	4,478,017	708,452	1,024,282	1,970,178	37,207,659
2000	11,866,363	-	26,664,597	854,990	4,403,267	303,239	1,413,434	5,308,462	50,814,352
2001	11,956,676	-	47,358,348	984,596	5,304,849	633,756	1,235,917	3,689,830	71,163,972
2002	13,325,153	109,789.00	45,515,241	1,018,506	5,585,671	798,228	543,329	7,292,006	74,187,923
2003	14,520,896	674,218	29,970,198	1,014,465	6,412,018	639,197	386,621	1,728,282	55,345,895
2004	15,166,045	643,218	21,628,341	959,509	6,287,858	755,317	325,595	1,515,686	47,281,569
2005	15,480,246	690,000	24,313,998	1,062,447	5,776,514	953,509	571,907	1,616,700	50,465,321
2006	15,539,062	649,543	21,788,709	1,154,278	7,087,149	1,956,496	953,803	1,330,516	50,459,556
2007	17,557,400	892,825	20,734,269	1,093,244	7,440,276	2,248,049	1,137,780	1,167,288	52,271,131
2008	17,911,751	836,645	21,898,618	1,065,569	7,088,107	2,240,943	980,278	1,839,066	53,860,977

Source: Audited annual financial reports of the City of Rocky Mount
Includes General, Special Revenue, and Capital Projects funds

CITY OF ROCKY MOUNT, NORTH CAROLINA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years

Fiscal Year	Real Property				Personal Property				Public Service (1)		Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
	Residential Property		Commercial Property		Nash		Edgecombe		Nash	Edgecombe				
	Nash	Edgecombe	Nash	Edgecombe	Nash	Edgecombe	Nash	Edgecombe						
1999 (4)	806,473,373	244,843,526	608,392,193	33,387,754	606,732,047	123,821,273	23,222,062	62,527,120	2,509,399,348	0.46	2,920,102,869	85.94%		
2000	825,232,307	246,161,722	622,543,670	33,567,508	622,925,524	115,418,834	23,450,300	63,517,961	2,552,817,826	0.46	3,026,780,395	84.34%		
2001	830,885,152	244,581,854	626,808,097	33,352,071	608,737,263	98,294,787	22,458,537	57,669,017	2,522,786,778	0.46	3,250,309,935	77.62%		
2002 (5)	1,017,812,950	288,993,512	767,823,805	39,408,206	669,986,247	110,702,591	30,787,083	73,654,860	2,999,169,254	0.44	3,083,727,540	97.26%		
2003	1,037,986,053	256,099,724	783,042,111	85,366,575	608,893,225	114,220,469	26,762,807	56,019,837	2,968,390,800	0.48	3,177,764,775	93.41%		
2004	1,054,977,251	253,503,275	795,860,032	84,501,092	562,746,225	104,125,246	32,695,064	47,181,660	2,935,589,845	0.50	3,176,490,414	92.42%		
2005	1,077,695,549	262,120,334	812,998,397	78,295,684	593,586,482	101,352,335	36,435,170	49,004,400	3,011,488,351	0.50	3,256,634,332	92.47%		
2006	1,099,957,208	263,614,376	829,792,280	78,741,957	631,198,099	86,492,902	36,173,019	42,110,137	3,068,079,978	0.50	3,436,851,062	89.27%		
2007	1,143,521,486	274,743,466	862,656,560	68,685,867	637,625,973	64,131,718	36,676,702	39,143,431	3,127,185,203	0.55	3,646,921,975	85.75%		
2008	1,167,555,203	279,914,070	880,787,258	69,978,518	686,929,697	71,460,425	36,836,521	38,935,022	3,232,396,715	0.55	3,795,146,495	85.17%		

Source: Audited annual financial reports of the City of Rocky Mount

Notes:

- (1) Public service companies valuations are provided to the City by the North Carolina Department of Revenue.
- (2) Per \$100 of value.
- (3) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.
- (4) Includes annexed property.
- (5) Revaluation year for Property values.

CITY OF ROCKY MOUNT, NORTH CAROLINA

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(rate per \$100 of assessed value)

City of Rocky Mount				Overlapping Rates Edgecombe County			Total Direct and Overlapping Rates (Edgecombe County)
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	School Millage (2)	Total County Millage	
1999	0.46	-	0.46	0.91	-	0.91	1.37
2000	0.46	-	0.46	0.91	-	0.91	1.37
2001	0.46	-	0.46	0.87	-	0.87	1.33
2002	0.44	-	0.44	0.87	-	0.87	1.31
2003	0.48	-	0.48	0.91	-	0.91	1.39
2004	0.50	-	0.50	0.91	-	0.91	1.41
2005	0.50	-	0.50	0.93	-	0.93	1.43
2006	0.50	-	0.50	0.93	-	0.93	1.43
2007	0.55	-	0.55	0.94	-	0.94	1.49
2008	0.55	-	0.55	0.94	-	0.94	1.49

City of Rocky Mount				Overlapping Rates Nash County		Total Direct and Overlapping Rates (Nash County)
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Total County Millage	Municipal Service District Tax (1)	
1999	0.46	-	0.46	0.66	0.20	1.32
2000	0.46	-	0.46	0.69	0.20	1.35
2001	0.46	-	0.46	0.66	0.20	1.32
2002	0.44	-	0.44	0.66	0.20	1.30
2003	0.48	-	0.48	0.66	0.20	1.34
2004	0.50	-	0.50	0.66	0.20	1.36
2005	0.50	-	0.50	0.66	0.20	1.36
2006	0.50	-	0.50	0.66	0.20	1.36
2007	0.55	-	0.55	0.70	0.20	1.45
2008	0.55	-	0.55	0.70	0.20	1.45

Sources: City of Rocky Mount Finance Department

Notes: 1) Municipal Service District represents part of the Downtown Business District

2) Edgecombe County Special School District established after City
School District merged with Nash County School District

City of Rocky Mount, North Carolina
Principal Property Tax Payers,
Current Year and Nine Years Ago

Taxpayer	Type of Business	2008			1999		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Hospira Inc ^a	Pharmaceuticals	\$138,164,585	1	4.27 %	\$68,604,729	1	2.73 %
Edgecombe Genco LLC ^e	Electrical Energy Producer	44,470,824	2	1.38	63,608,031	2	2.53
Carolina Telephone Company	Communications	41,870,635	3	1.30	37,152,313	3	1.48
Centura Bank Inc	Banking	37,654,728	4	1.16	30,500,588	6	1.22
Hendon Golden East LLC ^o	Retail Shopping Center	25,353,386	5	0.78	27,306,187	7	
Kaba Ilco Corp ^c	Key & Security System Manufacturer	22,212,584	6	0.69	24,920,328	9	0.99
Fords Colony at RY Mount LLC	Community Development Company	21,605,142	7	0.67			
Honeywell International Inc ^a	Aircraft Manufacturer	17,950,865	8	0.56	31,920,486	4	0.00
Cobb Corners Ltd. Partnership	Retail Shopping Center	16,914,055	9	0.52	-		1.27
Oakwood Properties LLC	Housing/Rental Properties	13,814,268	10	0.43	-		
AT & T	Communications	-					
Amoco Fabrics and Fibers	Textile Manufacturer	-			30,621,444	5	1.22
Thorpe-Greenville Export Tobacco Co.	Tobacco Company				26,019,753	8	1.04
					18,458,966	10	0.74
Total		\$380,011,072		11.76 %	\$359,112,825		13.22 %

Source: City of Rocky Mount Finance Dept

^a Formerly Abbott Laboratories

^o Formerly C F Golden East L P

^c Formerly Ilco Unican Corporation

^a Formerly Allied Signal

^e Cogentrix of Rocky Mount

City of Rocky Mount, North Carolina
Property Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Adjusted	Total		Amount	Percentage of Levy
1999	\$ 11,544,991	\$ 393,085	\$ 11,938,076	\$	\$ 11,854,256	99.30 %
2000	11,742,961	221,913	11,964,874		11,853,723	99.07
2001	11,604,820	406,283	12,011,103		11,896,524	99.05
2002	13,205,016	323,838	13,528,854		13,404,069	99.08
2003	14,241,109	277,126	14,518,235		14,345,075	98.81
2004	14,676,242	312,813	14,989,055		14,812,786	98.82
2005	15,314,550	364,564	15,679,114		15,500,212	98.86
2006	15,188,026	458,813	15,646,839		15,405,351	98.46
2007	17,089,087	443,476	17,532,563		17,064,070	97.33
2008	17,697,125	79,334	17,776,459	-	16,811,692	94.57

Source: City of Rocky Mount Finance Department

City of Rocky Mount, North Carolina

**Electric Utility Revenue Rates
Fiscal Year 2007-2008**

Service Type	Monthly Customer Charge	Monthly Customer Charge-Single Phase	Monthly Customer Charge-Three Phase	Monthly Customer Charge-Under 1,000 kW	Monthly Customer Charge-1,000 - 2,500 kW	Monthly Customer Charge-Over 2,500 kW	Monthly Energy Charge/kWH	Monthly Energy Charge-First 750 kWH/kWH	Monthly Energy Charge-Next 1250 kWH/kWH	Monthly Energy Charge-All Over 2000 kWH/kWH	Monthly Energy Charge First 2000 kWH/kWH	Monthly Energy Charge- Additional kWH/kWH
Residential 7/07-6/08		9.23	22.45				0.113880	0.138100	0.112510	0.105470		
Small General Service 7/07-6/08		17.60	30.82									
Medium General Service 7/07-6/08		17.60	30.82				0.080660					
Large General Service 7/07-6/08	733.82				643.97	1,229.41	0.057540					
Coordinated Demand Control Service 7/07-6/08				175.63			0.047440					
Med General Seasonal/Intermittent 7/07-6/08		17.60	30.82								0.123350	0.094740

Source: City of Rocky Mount Administrative Policy

Note: These rates represent the major rate categories, they do not reflect other misc rate categories.

City of Rocky Mount, North Carolina

Electric Utility Revenue Rates Last Ten Fiscal Years

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Residential-rates at fiscal year-end										
Monthly Customer Charge-Single Phase	7.31	7.31	7.31	7.79	7.79	8.16	8.26	9.23	9.23	9.23
Monthly Customer Charge-Three Phase(add amount to single)	10.47	10.47	10.47	11.15	11.15	11.68	11.83	13.22	13.22	13.22
Monthly Energy Charge/kWH								0.12	0.11	0.11
Monthly Energy Charge/kWH-Summer	0.09	0.09	0.09	0.10	0.10	0.11	0.11	-	-	-
Monthly Energy Charge/kWH-Winter	0.08	0.08	0.08	0.09	0.09	0.09	0.09	-	-	-
Small General Service-rates at fiscal year-end										
Monthly Customer Charge-Single Phase	13.94	13.94	13.94	14.85	14.85	15.56	15.75	17.60	17.60	17.60
Monthly Customer Charge-Three Phase(add amount to single)	10.47	10.47	10.47	11.15	11.15	11.68	11.83	13.22	13.22	13.22
Monthly Energy Charge/kWH-First 750 kWH/kWH	0.11	0.11	0.11	0.11	0.11	0.12	0.12	0.14	0.14	0.14
Monthly Energy Charge/kWH-Next 1250 kWH/kWH	0.09	0.09	0.09	0.09	0.09	0.10	0.10	0.11	0.11	0.11
Monthly Energy Charge/kWH-Over 2000 kWH/kWH	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.11	0.11	0.11
Medium General Service-rates at fiscal year-end										
Monthly Customer Charge-Single Phase	13.94	13.94	13.94	14.85	14.85	15.56	15.75	17.60	17.60	17.60
Monthly Customer Charge-Three Phase(add amount to single)	10.46	10.46	10.46	11.15	11.15	11.68	11.83	13.22	13.22	13.22
Monthly Energy Charge/kWH	0.06	0.06	0.06	0.06	0.07	0.07	0.07	0.08	0.08	0.08
Large General Service-rates at fiscal year-end										
Monthly Customer Charge	581.00	581.00	581.00	619.00	619.00	656.71	733.82	733.82	733.82	733.82
Monthly Energy Charge/kWH	0.04	0.04	0.04	0.05	0.05	0.05	0.06	0.06	0.06	0.06

City of Rocky Mount, North Carolina

Electric Utility Revenue Rates - continued Last Ten Fiscal Years

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Coordinated Demand Control Service-rates fiscal end										
Monthly Customer Charge-Under 1,000 kW	100.00	100.00	100.00	150.00	150.00	157.17	157.17	175.63	175.63	175.63
Monthly Customer Charge-1,000 -2,500 kW	500.00	500.00	500.00	550.00	550.00	576.30	576.30	643.97	643.97	643.97
Monthly Customer Charge-Over 2,500 kW	1,000.00	1,000.00	1,000.00	1,050.00	1,050.00	1,100.22	1,100.22	1,229.41	1,229.41	1,229.41
Monthly Energy Charge/kWH	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.05
Med General Seasonal/Intermittent-rates fiscal end										
Monthly Customer Charge-Single Phase	13.94	13.94	13.94	14.85	14.85	15.56	15.75	17.60	17.60	17.60
Monthly Customer Charge-Three Phase	10.47	10.47	10.47	26.00	26.00	27.24	27.58	30.82	30.82	30.82
Monthly Energy Charge-First 2000 kWh/kWH	0.09	0.09	0.09	0.10	0.10	0.11	0.11	0.12	0.12	0.12
Monthly Energy Charge-Additional kWh/kWH	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.10	0.09	0.09

Source: City of Rocky Mount Administrative Policy

Note: These rates represent the major rate categories, they do not reflect other misc rate categories.

City of Rocky Mount, North Carolina

Principal Electric Revenue Payers
Current Year and Nine Years Ago

	2008			1999		
	Electric Customer	Type of Business	Percentage of Total Electric Revenue	Electric Revenue Billing	Rank	Percentage of Total Electric Revenue

Source: City of Rocky Mount Public Utilities-Energy Services Department

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Purchased Power	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income Before Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
1999	65,457,767	50,838,872	8,589,489	6,029,406	(962,715)	5,066,691	(1,410,500)	3,656,191	5.6%
2000	61,493,313	50,456,258	11,407,782	(370,727)	(1,335,245)	(1,705,972)	(1,492,898)	(3,198,870)	-5.2%
2001	62,597,012	50,325,654	11,494,779	776,579	(950,724)	(174,145)	(1,553,180)	(1,727,325)	-2.8%
2002	63,299,637	50,524,960	11,150,468	1,624,209	(1,361,598)	262,611	(1,637,500)	(1,374,889)	-2.2%
2003	68,690,602	55,041,060	12,373,660	1,275,882	60,697	1,336,579	(1,673,704)	(337,125)	-0.5%
2004	70,099,299	56,464,242	12,811,149	823,908	358,607	1,182,515	(1,729,180)	(546,665)	-0.8%
2005	69,650,344	56,336,079	11,912,498	1,401,767	598,235	2,000,002	(946,406)	1,053,596	1.5%
2006	78,239,181	62,244,977	11,847,200	4,147,004	(155,379)	3,991,625	(1,016,500)	2,975,125	3.8%
2007	82,835,445	64,760,180	12,583,390	5,491,875	(226,906)	5,264,969	(1,450,000)	3,814,969	4.6%
2008	83,286,304	65,159,110	13,208,060	4,919,134	193,725	5,112,859	(1,500,000)	3,612,859	4.3%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
1999	64,965,393	481,741			365,189	65,812,323
2000	61,422,115	68,446		1,000	67,418	61,558,979
2001	61,964,201	483,024	-	2,321	346,834	62,796,380
2002	62,922,924	376,713	-	-	71,952	63,371,589
2003	67,987,358	703,244	56,028	426,844	20,540	69,194,014
2004	69,947,046	152,253	508,908	285,907	18,799	70,912,913
2005	69,259,750	390,594	794,744	-	20,108	70,465,196
2006	77,276,496	962,685	-	250,000	319,932	78,809,113
2007	81,020,266	1,815,179	239,299	-	510,557	83,585,301
2008	81,823,996	1,462,308	-	-	559,737	83,846,041

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

ELECTRIC FUND USER CHARGES

Last Nine Years

Fiscal Year	Residential	Commercial/ Industrial	Commercial	Seasonal	Other Lights	Total Revenues
2000	\$ 25,409,618	\$ 32,171,469	\$ 2,629,021	\$ 72,236	\$ 1,139,771	\$ 61,422,115
2001	27,930,375	29,105,770	3,166,389	225,765	1,535,902	61,964,201
2002	27,416,136	30,791,121	3,210,947	61,505	1,443,215	62,922,924
2003	31,405,564	31,980,148	3,040,122	120,173	1,441,351	67,987,358
2004	31,900,566	34,008,336	2,348,027	124,267	1,565,850	69,947,046
2005	31,523,269	34,013,985	2,063,686	120,620	1,538,190	69,259,750
2006	36,321,665	36,775,239	2,401,305	134,323	1,643,964	77,276,496
2007	37,192,405	39,477,453	2,484,540	131,543	1,734,325	81,020,266
2008	37,707,077	39,611,025	2,472,961	281,242	1,751,691	81,823,996

Source: Internal Monthly Sales Reports
Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Purchased Gas	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income Before Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
1999	14,519,911	9,079,104	2,949,888	2,491,919	(121,796)	2,370,123	(2,000,000)	370,123	2.5%
2000	16,684,499	11,154,320	3,911,375	1,618,804	(216,732)	1,402,072	(2,000,000)	(597,928)	-3.6%
2001	24,530,267	19,292,534	4,503,133	734,600	(186,598)	548,002	(1,777,590)	(1,229,588)	-5.0%
2002	16,093,258	11,191,724	4,252,940	648,594	(149,639)	498,955	(1,041,735)	(542,780)	-3.4%
2003	19,385,470	13,281,194	4,388,581	1,715,695	(43,744)	1,671,951	114,465	1,786,416	9.2%
2004	23,085,573	15,947,768	4,980,597	2,157,208	(408,720)	1,748,488	-	1,748,488	7.6%
2005	27,087,316	20,022,261	4,463,489	2,601,566	28,994	2,630,560	(700,000)	1,930,560	7.1%
2006	31,684,789	26,372,355	4,436,476	875,958	59,438	935,396	(1,000,000)	(64,604)	-0.2%
2007	29,526,454	22,550,161	4,227,627	2,748,666	69,257	2,817,923	(900,000)	1,917,923	6.5%
2008	28,547,960	21,229,023	4,224,103	3,094,834	223,550	3,318,384	(1,125,000)	2,193,384	7.7%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Other Operating Revenues	Investment Earnings	Total Revenues
1999	14,245,099	270,888	131,144	14,647,131
2000	16,679,016	1,699	43,002	16,723,717
2001	24,530,267	529	31,871	24,562,667
2002	16,207,098	201	49,235	16,256,534
2003	19,385,219	251	33,757	19,419,227
2004	23,036,682	48,891	24,662	23,110,235
2005	27,087,066	250	62,244	27,149,560
2006	31,684,589	200	234,496	31,919,285
2007	29,526,454	-	307,887	29,834,341
2008	28,531,480	16,480	314,643	28,862,603

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

GAS FUND USER CHARGES

Last Nine Years

Fiscal Year	Residential	Commercial	Industrial	Special	Seasonal	Other	Total Revenues
2000	\$ 7,938,695	\$ 3,477,689	\$ 896,755	\$ 3,833,345	\$ 98,045	434,487	\$ 16,679,016
2001	12,856,449	6,219,802	1,116,890	3,979,646	67,545	322,335	24,562,667
2002	8,411,137	4,436,398	555,038	2,423,283	129,419	251,824	16,207,098
2003	11,056,184	5,481,151	678,990	1,984,805	141,540	42,549	19,385,219
2004	12,297,077	6,536,227	859,116	3,187,255	138,164	18,843	23,036,682
2005	14,000,487	7,752,418	819,822	4,307,113	204,058	3,168	27,087,066
2006	16,192,772	9,526,806	1,150,982	4,455,658	355,708	2,662	31,684,589
2007	14,975,766	8,592,738	1,102,949	4,565,371	288,076	1,554	29,526,454
2008	13,951,182	8,082,688	1,197,004	4,849,275	451,004	327	28,531,480

Source: Internal Monthly Sales Reports
Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (loss)	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income (loss) to Operating Revenues
1999	8,100,793	5,693,548	2,407,245	(495,612)	1,911,633	(542,100)	1,369,533	16.9%
2000	7,838,343	6,892,215	946,128	(508,785)	437,343	(600,000)	(162,657)	-2.1%
2001	8,040,120	7,890,681	149,439	(300,478)	(151,039)	(759,112)	(910,151)	-11.3%
2002	8,344,267	7,458,940	885,327	(1,905,940)	(1,020,613)	(571,288)	(1,591,901)	-19.1%
2003	8,375,012	7,265,783	1,109,229	(396,474)	712,755	3,311,234	4,023,989	48.0%
2004	8,617,670	7,836,436	781,234	(392,638)	388,596	(133,373)	255,223	3.0%
2005	8,788,591	7,747,906	1,040,685	(242,086)	798,599	(600,000)	198,599	2.3%
2006	9,514,292	8,099,827	1,414,465	(231,641)	1,182,824	(330,000)	852,824	9.0%
2007	9,512,039	8,454,919	1,057,120	(147,456)	909,664	(350,000)	559,664	5.9%
2008	9,294,113	8,489,576	804,537	(40,717)	763,820	(119,000)	644,820	6.9%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Licenses and Permits	Other Operating Revenues	Other Non-operating Revenues	Grants and Subsidies	Investment Earnings	Total Revenues
1999	7,930,190	-	187,218	49,165	-	137,573	8,304,146
2000	7,713,760	127,971	65,199	-	200	71,426	7,978,556
2001	7,962,973	77,147	97,216	-	28,193	191,461	8,356,990
2002	8,739,896	78,240	107,132	-	14,881	63,480	9,003,629
2003	8,200,445	89,785	92,694	-	72,947	37,030	8,492,901
2004	8,434,449	38,228	161,290	-	10,100	32,831	8,676,898
2005	8,668,630	82,335	37,626	-	-	61,828	8,850,419
2006	9,329,808	79,094	105,390	-	-	168,322	9,682,614
2007	9,323,877	36,407	151,761	-	-	214,692	9,726,737
2008	9,059,969	40,597	193,547	-	-	185,226	9,479,339

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

WATER FUND USER CHARGES

Last Nine Years

Fiscal Year	Inside City	Outside City	Municipal	Other	Total Revenues
2000	\$ 6,725,743	\$ 538,283	\$ 447,537	\$ 2,197	\$ 7,713,760
2001	6,935,668	492,077	530,640	4,588	\$ 7,962,973
2002	7,393,400	597,470	744,940	4,085	\$ 8,739,896
2003	6,752,354	663,394	782,400	2,296	\$ 8,200,445
2004	6,843,878	717,074	871,724	1,773	\$ 8,434,449
2005	7,130,536	738,940	796,923	2,230	\$ 8,668,630
2006	7,674,909	835,590	818,929	380	\$ 9,329,808
2007	7,421,037	858,071	1,044,769	-	9,323,877
2008	7,241,132	863,623	955,214	-	9,059,969

Source: Internal Monthly Sales Reports
Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND REVENUES, EXPENSES AND NET INCOME Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income to Operating Revenues
1999	8,939,095	7,042,085	1,897,010	(717,752)	1,179,258	-	1,179,258	13.2%
2000	8,867,975	7,562,064	1,305,911	(618,200)	687,711	-	687,711	7.8%
2001	9,492,301	8,207,636	1,284,665	(574,337)	710,328	106,308	816,636	8.6%
2002	9,987,299	8,281,116	1,706,183	(815,637)	890,546	186,514	1,077,060	10.8%
2003	8,989,252	8,633,456	355,796	(499,239)	(143,443)	663,944	520,501	5.8%
2004	8,623,692	8,890,909	(267,217)	(458,661)	(725,878)	31,678	(694,200)	-8.0%
2005	9,213,340	9,335,446	(122,106)	(331,288)	(453,394)	-	(453,394)	-4.9%
2006	10,311,549	9,395,580	915,969	(346,652)	569,317	-	569,317	5.5%
2007	10,601,619	9,306,568	1,295,051	(262,636)	1,032,415	(22,445)	1,009,970	9.5%
2008	10,245,779	9,099,183	1,146,596	(165,366)	981,230	(386,090)	595,140	5.8%

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	User Charges	Licenses and Permits	Other Operating Revenues	Other Non-operating Revenues	Investment Earnings	Total Revenues
1999	8,514,697	-	435,521	64,590	64,748	9,079,556
2000	8,927,335	59,237	63,269	-	49,909	9,099,750
2001	9,260,652	54,640	73,787	-	144,156	9,533,235
2002	10,328,304	28,780	72,610	-	85,042	10,514,736
2003	9,037,813	23,682	86,783	-	65,957	9,214,235
2004	8,542,153	10,604	102,613	-	27,766	8,683,136
2005	8,994,505	5,930	212,905	-	22,218	9,235,558
2006	10,135,472	(7,919)	183,996	-	84,469	10,396,018
2007	10,522,925	10,465	68,232	-	89,195	10,690,817
2008	10,114,902	32,606	98,271	-	102,610	10,348,389

Source: Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

SEWER FUND USER CHARGES

Last Nine Years

Fiscal Year	Sewer Service	Sewer Surcharge	Sewer No Water	Wholesale	Other	Total Revenues
2000	\$ 6,206,846	\$ 486,658	\$ 1,358,493	\$ 863,003	\$ 12,335	\$ 8,927,335
2001	6,100,575	505,656	1,528,750	1,086,742	38,929	9,260,652
2002	7,195,870	547,999	1,450,879	1,100,378	33,178	10,328,304
2003	7,008,116	314,799	373,715	1,292,647	48,536	9,037,813
2004	6,770,687	384,146	289,774	1,063,778	33,768	8,542,153
2005	7,578,173	266,046	71,480	1,041,481	37,325	8,994,505
2006	8,111,423	503,691	61,818	1,429,185	29,356	10,135,472
2007	8,386,692	134,055	92,025	1,880,219	29,934	10,522,925
2008	8,136,203	309,030	76,810	1,567,474	25,385	10,114,902

Source: Internal Monthly Sales Reports
Audited financial reports of the City of Rocky Mount

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORM WATER FUND REVENUES, EXPENSES AND NET INCOME

Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Nonoperating Revenues & (Expenses) Net	Income (Loss) Before Capital Contributions and Transfers	Capital Contributions & Transfers In (Out) Net	Net Income (Loss)	Ratio of Net Income to Operating Revenues
1999	-	-	-	-	-	-	-	0.0%
2000	-	-	-	-	-	-	-	0.0%
2001	-	-	-	-	-	-	-	0.0%
2002	-	47,207	(47,207)	-	(47,207)	-	(47,207)	0.0%
2003	-	390,467	(390,467)	-	(390,467)	-	(390,467)	0.0%
2004	2,246,746	2,287,496	(40,750)	(650)	(41,400)	1,301,307	1,259,907	56.1%
2005	2,333,267	2,339,776	(6,509)	17,261	10,752	800,000	810,752	34.7%
2006	2,673,764	2,227,602	446,162	(295,883)	150,279	700,000	850,279	31.8%
2007	2,666,750	2,738,985	(72,235)	112,552	40,317	510,000	550,317	20.6%
2008	2,691,342	2,899,442	(208,100)	100,081	(108,019)	300,000	191,981	7.1%

Source: Audited financial reports of the City of Rocky Mount

Note : Stormwater enterprise fund began in fiscal year 2001-02.

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORMWATER FUND REVENUES BY SOURCE

Last Five Fiscal Years

Fiscal Year	User Charges	Investment Earnings	Total Revenues
2004	\$ 2,246,746	\$ 2,137	\$ 2,248,883
2005	2,333,267	23,603	2,356,870
2006	2,673,764	77,107	2,750,871
2007	2,666,750	122,104	2,788,854
2008	2,691,342	111,921	2,803,263

Source: Audited financial reports of the City of Rocky Mount
New service for FY2004

CITY OF ROCKY MOUNT, NORTH CAROLINA

STORMWATER FUND USER CHARGES

Last Five Years

Fiscal Year	Residential	Multi-family	Commercial	Total Revenues
2004	\$ 644,860	\$ 152,823	\$ 1,449,063	\$ 2,246,746
2005	639,378	159,929	1,533,961	2,333,267
2006	738,551	183,921	1,751,292	2,673,764
2007	1,751,733	170,866	744,151	2,666,750
2008	1,762,811	184,058	744,473	2,691,342

Source: Internal Monthly Sales Reports
Audited financial reports of the City of Rocky Mount
New service for FY2004

CITY OF ROCKY MOUNT, NORTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Governmental Activities		Business-type Activities						
Fiscal Year	Capital Leases	Water Bonds	Sewer Bonds	Revolving Sewer Loans	Capital Leases	Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
1999	2,196,756	8,977,113	12,817,887	-	6,020,361	30,012,117	0.98%	508.94
2000	9,270,565	8,197,724	11,467,276	-	8,607,670	37,543,235	1.10%	647.23
2001	8,364,882	7,429,109	10,130,891	-	6,635,260	32,560,142	0.92%	581.29
2002	7,859,323	6,669,114	8,805,886	-	6,484,671	29,818,994	0.84%	532.50
2003	6,907,494	5,781,335	7,633,665	-	3,881,565	24,204,059	0.66%	430.61
2004	17,435,317	4,908,640	6,481,360	-	3,058,425	31,883,742	0.83%	567.97
2005	16,519,537	4,051,029	5,348,971	592,893	9,219,339	35,731,769	0.91%	634.57
2006	14,828,599	3,210,656	4,239,344	1,194,328	8,987,480	32,460,407	0.78%	576.66
2007	15,260,314	2,385,366	3,149,634	4,253,610	7,717,568	32,766,492	0.77%	581.34
2008	14,623,336	1,577,315	2,082,685	4,255,536	7,826,068	30,364,940	n/a	538.73

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^a See Demographic and Economic Statistics for personal income and population data.

CITY OF ROCKY MOUNT, NORTH CAROLINA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General Obligation Bonds	Less: Amounts Available in		Total			
		Debt Service Fund					
1999	21,795,000	0		21,795,000	1.71%	0.72%	370
2000	19,665,000	0		19,665,000	1.42%	0.61%	339
2001	17,560,000	0		17,560,000	1.27%	0.57%	313
2002	15,475,000	0		15,475,000	1.12%	0.49%	276
2003	13,415,000	0		13,415,000	0.95%	0.42%	239
2004	11,390,000	0		11,390,000	0.77%	0.35%	203
2005	9,400,000	0		9,400,000	0.62%	0.27%	167
2006	7,450,000	0		7,450,000	0.46%	0.20%	132
2007	5,535,000	0		5,535,000	0.34%	0.15%	98
2008	3,660,000	0		3,660,000	not available	0.10%	65

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

(1) See Demographic and Economic Statistics for personal income and population data.

(2) See Assessed Value and Actual Value of Taxable Property for property value data.

CITY OF ROCKY MOUNT, NORTH CAROLINA

COMPUTATION OF DIRECT AND OVERLAPPING Bonded Debt as of June 30, 2008

<u>Name of Governmental Unit</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Rocky Mount¹</u>	<u>City of Rocky Mount Share of Debt</u>
Direct Debt			
City of Rocky Mount:			
Sanitary Sewer	\$ 2,082,685	100.0%	\$ 2,082,685
Water	<u>1,577,315</u>	100.0%	<u>1,577,315</u>
Total Direct Debt	<u>\$ 3,660,000</u>		<u>\$ 3,660,000</u>
Overlapping Debt			
Edgecombe County:			
Water & Sewer	2,993,000	18.0%	538,740
Water & Sewer Bond			
Anticipation Notes	3,817,500	18.0%	687,150
Nash County	<u>-</u>	82.0%	<u>-</u>
Total Overlapping Debt	<u>\$ 6,810,500</u>		<u>\$ 1,225,890</u>
Total direct and overlapping debt	<u><u>\$ 10,470,500</u></u>		<u><u>\$ 4,885,890</u></u>

¹ Percentage applicable to the City of Rocky Mount
is calculated by determining value of taxable
property in Edgecombe and Nash Counties.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Rocky Mount. This process recognizes that, when the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF ROCKY MOUNT, NORTH CAROLINA

COMPUTATION OF LEGAL DEBT MARGIN

Last Ten Fiscal Years

(amounts expressed in thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 200,752	\$ 204,225	\$ 201,823	\$ 239,934	\$ 237,471	\$ 234,847	\$ 245,089	\$ 245,446	\$ 250,175	\$ 258,592
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 200,752	\$ 204,225	\$ 201,823	\$ 239,934	\$ 237,471	\$ 234,847	\$ 245,089	\$ 245,446	\$ 250,175	\$ 258,592

Total net debt applicable to the limit as a percentage of debt limit

	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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Legal Debt Margin Calculation for Fiscal Year 2008

Notes:	Assessed Value	\$3,232,396,715
(1) North Carolina General Statute 159-55(c) limits the City's net debt to 8% of the appraised value of property subject to taxation within the City.	Debt Limit (8% of total assessed value) (1)	258,591,737
	Debt applicable to limitation:	
	Total outstanding bonded debt at 6/30/08	3,660,000
(2) North Carolina General Statute 159-55(c)(2) exempts bonds issued for electric system and water system purposes from inclusion in the calculation of legal debt margin.	Less: Statutory deductions (2 and 3)	
	Bonds issued and outstanding for water purposes	1,577,315
	Bonds issued and outstanding for sewer purposes	2,082,685
		<u>3,660,000</u>
(3) North Carolina General Statute 159-55(c)(3) exempts bonds issued for sanitary sewer system purposes from inclusion in the calculation of legal debt margin.	Total amount of debt applicable to debt limit	-
	Legal debt margin	<u>\$258,591,737</u>

CITY OF ROCKY MOUNT, NORTH CAROLINA

PLEDGED REVENUE COVERAGE - WATER & SEWER

Last Ten Fiscal Years

Sewer Bonds								
Fiscal Year	Operating		Net Revenue Available for Debt	Debt Service Requirements ³				
	Revenues ¹	Expenses ²		Principal	Interest	Total		
				Service				Coverage
1999	8,221,343	5,482,838		2,738,505	1,404,367	536,923	1,941,290	141.07%
2000	8,249,775	6,145,481		2,104,294	1,350,611	590,045	1,940,657	108.43%
2001	8,917,964	6,788,368		2,129,596	1,336,385	526,298	1,862,684	114.33%
2002	9,513,120	7,293,392		2,219,728	1,325,005	461,675	1,786,679	124.24%
2003	8,490,013	7,280,712		1,209,301	1,172,221	397,535	1,569,757	77.04%
2004	8,165,031	7,498,657		666,374	1,152,305	347,716	1,500,021	44.42%
2005	8,882,052	8,131,250		750,802	1,132,389	298,743	1,431,131	52.46%
2006	9,964,897	8,016,527		1,948,370	1,109,627	248,918	1,358,545	143.42%
2007	10,338,983	7,853,047		2,485,936	1,089,711	200,094	1,289,805	192.74%
2008	10,080,443	7,592,426		2,488,017	1,066,949	152,147	1,219,096	204.09%

Water Bonds							
Fiscal Year	Operating		Net Revenue Available for Debt	Debt Service Requirements ³		Coverage	
	Revenues ¹	Expenses ²		Principal	Interest		
				Service		Total	
1999	7,605,181	4,765,653	2,839,528	1,010,633	615,229	1,625,861	174.65%
2000	7,329,558	5,510,224	1,819,334	449,389	403,162	852,551	213.40%
2001	7,739,642	6,397,491	1,342,151	768,615	368,884	1,137,499	117.99%
2002	6,812,540	6,234,348	578,192	759,995	334,795	1,094,791	52.81%
2003	7,978,538	5,766,193	2,212,345	887,779	301,072	1,188,851	186.09%
2004	8,225,032	6,359,717	1,865,315	872,695	263,342	1,136,037	164.19%
2005	8,546,505	6,549,732	1,996,773	857,611	226,252	1,083,864	184.23%
2006	9,282,651	6,811,286	2,471,365	840,373	188,517	1,028,890	240.20%
2007	9,364,583	7,265,761	2,098,822	825,289	151,541	976,830	214.86%
2008	9,253,396	7,299,076	1,954,320	808,051	115,228	923,279	211.67%

¹ Total revenues including interest

² Total operating expenses exclusive of depreciation and amortization

³ Includes General Obligation Bonds

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

CITY OF ROCKY MOUNT, NORTH CAROLINA

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Year	City Population (1)	Rocky Mount MSA(a)		Rocky Mount MSA(a) Per Capita Income (2)	Rocky Mount MSA(a) Unemployment Rate (3)	Rocky Mount MSA(a) Retail Sales (Millions) (4)
		Personal Income (Millions) (2)				
1998	57,630	3,179.5		22,739	8.0%	1,216.4
1999	58,970	3,060.6		21,604	6.8%	1,167.3
2000	58,006	3,421.7		23,921	6.1%	1,163.7
2001	56,014	3,536.7		24,644	8.1%	1,121.8
2002	55,998	3,554.0		24,628	10.4%	1,052.7
2003	56,209	3,643.7		25,245	9.5%	1,060.7
2004	56,136	3,838.2		26,464	8.5%	1,112.5
2005	56,309	3,946.0		27,116	7.5%	1,173.5
2006	56,290	4,180.0		28,579	6.7%	720.5
2007	56,364	4,266.0		29,299	6.8%	720.0
2008	56,364	not available		not available	8.9%	707.0

Sources:

- (1) City of Rocky Mount Planning Department
- (2) U.S. Dept of Commerce - Bureau of Economic Analysis
- (3) NC Employment Security Commission
- (4) NC Dept of Revenue

(a) Metropolitan Statistical Area

*Note: Retail Sales for 2006 are not comparable to prior years because of a change in reporting of retail sales by NC DOR from gross retail sales to taxable sales starting July 2005.

PRINCIPAL EMPLOYERS

	2008			1999		
	Employer	Employees	Rank	Percentage of Total MSA (a)	Employees	Rank
Nash Rocky Mount Schools	2,500	1	3.90%	2,400	1	3.68%
Hospira/Abbott Laboratory	1,840	2	2.87%	1,774	2	2.72%
Nash Health Care Systems	1,725	3	2.69%	1,725	3	2.65%
Consolidated Diesel	1,350	4	2.11%	1,514	4	2.32%
RBC Centura	1,250	5	1.95%	800	6	1.23%
Embarq/Sprint	1,100	6	1.72%	635	8	0.97%
Universal Leaf	1,000	7	1.56%			0.00%
West Corporation	800	8	1.25%			0.00%
Kaba Ilco Corporation	575	9	0.90%	805	5	1.23%
McLane North Carolina	570	10	0.89%	500	11	0.77%
HoneyWell	360	11	0.56%	598	10	0.92%
Texfi Blends			0.00%	682	7	1.05%
IBC Merita Wonder Bakery	250	12	0.39%	625	9	0.96%
	13,320		20.80%	12,058		18.49%

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CITY OF ROCKY MOUNT, NORTH CAROLINA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government	99	101	101	102	100	103	101	106	105	113
Public Safety										
Police	178	173	180	181	177	175	184	193	191	193
Fire	130	126	127	124	132	136	136	133	133	148
Public Works	132	131	134	133	132	101	104	104	103	108
Engineering	23	23	23	22	21	24	24	23	25	24
Parks & Recreation	60	59	56	58	55	58	58	61	66	63
Public Service	3	3	3	3	2	2	2	2	4	4
Economic Development	26	26	27	24	26	25	23	20	20	22
Electric	52	50	52	55	50	53	54	58	59	63
Gas	19	18	21	18	19	20	21	21	18	19
Water	68	70	66	59	60	62	62	62	55	62
Sewer	27	27	26	26	27	27	27	25	27	24
Storm Water					1	32	32	33	31	34
Total	816	806	815	804	801	818	828	840	837	877

Source: Finance Department

Note: This schedule represents number of persons employed as of June 30 of each year. Vacant positions are not included in the above numbers.

CITY OF ROCKY MOUNT, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Police										
Physical arrests	11,159	8,762	8,387	8,934	10,714	9,221	8,911	8,270	11,367	10,985
Traffic violations	5,915	7,226	6,961	7,468	8,087	6,655	5,963	4,114	6,741	6,381
Fire										
Number of calls answered	1,748	3,022	4,872	5,234	5,453	6,442	7,050	7,750	7,679	8,238
Inspections	4,356	1,736	2,429	2,236	3,350	2,686	2,862	2,957	2,361	2,174
Water										
Water main (miles)	300	300	300	300	350	360	360	461	473	480
Number of meters	22,800	22,800	24,700	23,800	24,258	26,379	26,915	24,700	24,998	25,172
Avg daily consumption (millions of gallons)	13.5	13.7	13.9	13.3	11.6	11.9	11.9	11.3	11.5	10.11
Peak daily consumption (millions of gallons)	19.6	20.4	18.2	20.0	15.2	16.0	17.0	16.4	13.5	15
Wastewater										
Avg daily sewer treatment (millions of gallon:	11.5	13.8	13.2	13.8	15.1	12.4	12.4	10.2	12.8	8.5

CITY OF ROCKY MOUNT, NORTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function/Program	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	49	55	55	52	60	60	58	58	42	51
Fire										
Stations	6	6	6	6	6	7	7	7	7	7
Public Works										
Streets (miles)	255	257	259	265	268	270	272	268	263	281
Streetlights	6,345	6,393	6,600	6,600	6,739	6,957	6,957	6,957	6,850	6,913
Recreation and Parks										
Parks	46	46	46	46	46	46	46	41	39	45
Acreage	472	472	472	472	472	481	481	499	506	481
Swimming Pools	2	-	-	-	-	1	1	2	2	2
Tennis Courts	45	45	45	40	34	30	30	37	34	37
Recreation centers	3	3	3	3	3	3	3	2	3	3
Water										
Water mains (miles)	300	300	300	300	350	360	360	461	473	480
Maximum daily capacity (millions of gallons)	28	28	26	26	26	26	26	26	26	26
Storage capacity (millions of gallons)	10	10	10	11	11	11	11	11	10	10
Wastewater										
Treatment capacity (millions of gallons)	21	21	21	21	21	21	21	21	21	21
Electric										
Distribution lines (miles)	689	690	691	691	665	680	429	687	720	734

